FundLogic Alternatives p.l.c.
(an umbrella fund with segregated liability between sub-funds)

A company incorporated with limited liability
as an open-ended investment company with variable capital
under the laws of Ireland with
registered number 483770

CONSOLIDATED EXTRACT PROSPECTUS FOR SWITZERLAND

This Prospectus is dated 21 July 2017

The Directors of FundLogic Alternatives plc whose names appear in this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. This Prospectus should be read in conjunction with the Supplements dealing with the relevant Sub-Fund(s).

This extract prospectus is an extract of the prospectus for Switzerland only and does not constitute a prospectus for the purposes of Irish applicable law.

The following of the Company's sub-funds are approved for distribution in or from Switzerland.

MS PSAM Global Event UCITS Fund
MS Alkeon UCITS Fund
MS Ascend UCITS Fund
MS Long Term Trends UCITS Fund
MS Swiss Life Multi Asset Protected Fund
MS Dalton Asia Pacific UCITS Fund
MS TCW Unconstrained Plus Bond Fund
MS Lynx UCITS Fund
MS Nezu Cyclicals Japan UCITS Fund
MS Tremblant Long/Short Equity UCITS Fund
IPM Systematic Macro UCITS Fund
Quantica Managed Futures UCITS Fund
Academy Quantitative Global UCITS Fund
Arno Fund
Equity Risk Managed Fund
CZ Absolute Alpha UCITS Fund
Investcorp Geo-Risk Fund
Carrhae Capital Long/Short Emerging Market Equity UCITS Fund
Smartfund 80% Protected Balanced Fund
Smartfund 80% Protected Growth Fund
ACUMEN Income – Protection Portfolio
ACUMEN Capital Protection Portfolio

The Company has other sub-funds, which have been approved by the Central Bank of Ireland, but which are not approved for distribution in or from Switzerland.
The authorisation of FundLogic Alternatives plc (the “Fund”) by the Central Bank shall not constitute a warranty as to the performance of the Fund and the Central Bank shall not be liable for the performance or default of the Fund.

Where an initial and/or repurchase charge is provided for the difference at any one time between the issue and repurchase price of Shares in the relevant Sub-Fund means that the investment should be viewed as medium to long term.

The value of and income from Shares in the Fund may go up or down and you may not get back the amount you have invested in the Fund.

Information applicable to the Fund generally is contained in this Prospectus. Shares constituting each sub-fund offered by the Fund (each a “Sub-Fund”) are described in the Supplements to this Prospectus.

Before investing in the Fund, you should consider the risks involved in such investment. Please see Risk Factors below and where applicable to each Sub-Fund in the Supplements.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the then latest annual report and audited accounts of the Fund and, if published after such report, a copy of the then latest semi-annual report and unaudited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the Fund.

The Fund is an umbrella investment company with variable capital and segregated liability between Sub-Funds incorporated on 28 April 2010 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 (S.I. No. 352 of 2011) as amended. Such authorisation is not an endorsement or guarantee of the Fund or any Sub-Fund by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular: the Shares have not been registered under the United States Securities Act of 1933 (as amended) (the 1933 Act) and may not be directly or indirectly offered or sold in the United States or to any United States Person, except in a transaction which does not violate United States securities laws. The Fund will not be registered under the United States Investment Company Act of 1940 (as amended) (the 1940 Act).

The Articles of the Fund give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to redeem Shares held by), or the transfer of Shares to, any person (including any United States Person) who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage which the Fund might not otherwise have incurred or suffered. The Articles also permit the Directors where necessary to redeem and cancel Shares (including fractions thereof) held by a person who is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person on the occurrence of a chargeable event for Irish taxation purposes.

Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might
encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. Where there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

Any information given, or representations made, by any dealer, salesman or other person not contained in this Prospectus or in any reports and accounts of the Fund forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the Administrator or the Distributor as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Fund.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, copies of which are available upon request.

Defined terms used in this Prospectus shall have the meaning attributed to them in Appendix I.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. Investors should be aware that it is the responsibility of any person wishing to make an application for Shares to inform themselves of, and comply with, all applicable laws and regulatory requirements.

An initial charge on the subscription of Shares and/or a repurchase charge on the redemption of Shares and/or an exchange charge on the exchange of Shares may be payable. Details of any such charges payable in respect of Shares of any Sub-Fund of the Fund, will be set out in the Supplement which relates to that Sub-Fund, but in any case will not exceed 5% in the case of a subscription charge and 3% in the case of a repurchase charge.
CONTENTS

DIRECTORY .......................................................................................................................... 7
1 INTRODUCTION ............................................................................................................. 8
2 DIRECTORS OF THE FUND ......................................................................................... 8
3 INVESTMENT MANAGER ............................................................................................ 9
4 DEPOSITARY .................................................................................................................. 9
5 ADMINISTRATOR AND REGISTRAR .......................................................................... 10
6 INVESTMENT OBJECTIVE AND POLICIES ............................................................... 10
7 RESTRICTIONS ............................................................................................................. 10
8 BORROWING AND LENDING POWERS ..................................................................... 11
9 PERMITTED INVESTMENTS ....................................................................................... 11
10 INVESTMENT RESTRICTIONS .................................................................................. 11
11 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES ...................................... 13
12 GENERAL PROVISIONS ............................................................................................ 13
13 FINANCIAL DERIVATIVE INSTRUMENTS ................................................................. 15
14 EFFICIENT PORTFOLIO MANAGEMENT ................................................................ 15
15 RISK FACTORS .......................................................................................................... 18
16 DIVIDEND POLICY .................................................................................................... 29
17 APPLICATIONS FOR SHARES .................................................................................. 29
18 REPURCHASE OF SHARES ....................................................................................... 32
19 EXCHANGE OF SHARES ........................................................................................,... 34
20 ISSUE AND REPURCHASE PRICES / CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS ............................................................................ 36
21 SUSPENSION OF CALCULATION OF NET ASSET VALUE ...................................... 38
22 MANAGEMENT CHARGES AND EXPENSES ......................................................... 38
23 GENERAL CHARGES AND EXPENSES ................................................................... 38
CARRHAE CAPITAL LONG/SHORT EMERGING MARKET EQUITY UCITS FUND .......................................................... 357
SMARTFUND 80% PROTECTED BALANCED FUND .................................................................................................. 376
SMARTFUND 80% PROTECTED GROWTH FUND .................................................................................................. 396
ACUMEN INCOME - PROTECTION PORTFOLIO ................................................................................................. 415
ACUMEN CAPITAL PROTECTION PORTFOLIO ................................................................................................... 432
DIRECTORY

FundLogic Alternatives p.l.c.
70 Sir John Rogerson’s Quay
Dublin 2
Ireland

INVESTMENT MANAGER
As disclosed in the relevant Supplement

PROMOTER AND DISTRIBUTOR
Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

DEPOSITARY
Northern Trust Fiduciary Services (Ireland) Limited
George’s Court
54-62 Townsend Street
Dublin 2
Ireland

ADMINISTRATOR
Northern Trust International Fund Administration Services (Ireland) Limited
George’s Court
54-62 Townsend Street
Dublin 2
Ireland

SECRETARY
Matsack Trust Limited
70 Sir John Rogerson’s Quay
Dublin 2
Ireland

AUDITORS
Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

IRISH LEGAL ADVISERS
Matheson
70 Sir John Rogerson’s Quay
Dublin 2
Ireland
INTRODUCTION

The Fund is structured as an umbrella investment company, in that different Sub-Funds may be established from time to time by the Directors with the prior approval of the Central Bank.

The particulars of each Sub-Fund will be set out in a separate supplement to the Prospectus (each a Supplement). Any such Supplement shall list all of the existing Sub-Funds. The Supplements should be read in conjunction with this Prospectus. Shares of more than one class may be issued in relation to a Sub-Fund. The creation of any new classes of Shares shall be notified to, and cleared, in advance by the Central Bank. On the introduction of any new class of Shares, the Fund will prepare and the Directors will issue documentation setting out the relevant details of each such class of Shares. A separate portfolio of assets shall be maintained for each Sub-Fund and shall be invested in accordance with the investment objective applicable to such Sub-Fund.

The Fund may decline any application for Shares in whole or in part without assigning any reason therefor and will not accept an initial subscription for Shares of any amount (exclusive of the initial charge, if any) which is less than the Minimum Initial Subscription as set forth in the Supplement for the relevant Sub-Fund, unless the Minimum Initial Subscription is waived by the Directors.

After the initial issue, Shares will be issued and redeemed at the Net Asset Value per Share plus or minus duties and charges (as the case may be) including any initial or repurchase charge specified in the relevant Supplements. The Net Asset Value of the Shares of each class and the issue and repurchase prices will be calculated in accordance with the provisions summarised under the heading Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets in this Prospectus.

Details of Dealing Days in respect of each Sub-Fund are set out in the relevant Supplement.

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Articles summarised under the heading General Information in this Prospectus, copies of which are available as detailed in this Prospectus.

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

Directors of the Fund

The Directors of the Fund are described below:

Kevin Molony has broad and extensive experience in investment management, institutional stockbroking and management services having worked with leading international firms over his career. He currently provides independent directorship services to several international investment managers. Kevin was Managing Director of Walkers Corporate Services (Dublin) Limited until that business was acquired in June 2012. From 1999 to 2009, he was a Director of Citigroup Global Markets where he was instrumental in establishing and building their Irish institutional broking business. His specific area of expertise at Citigroup was US and Latin American equities. Before joining Citigroup, he was an institutional stockbroker with Deutsche Bank. Kevin began his career as a UK equity fund manager with Phillips & Drew Fund Managers, who were the leading institutional investment manager in London at the time. He later joined AIB Investment Managers as a Senior Portfolio Manager specialising in US equity funds. Kevin received a BA in Economics from University College Dublin and a Professional Diploma in Corporate Governance from Smurfit Business School, Dublin.

Simon O’Sullivan has worked in the investment management sector since 1993. From April 2002 to April 2006, he was employed in Dublin by Pioneer Alternative Investments as a product specialist. In May 2006, he left Pioneer to join his family company as financial controller and in May 2013 Simon became a partner in Maraging Funds Limited, trading as RiskSystem, a specialist provider of financial risk solutions to the investment funds industry. He has also worked for Fleming Investment Management as a fund manager in London, and Eagle Star and Merrion Capital, both in Dublin. He holds a Bachelor of Arts in Economics and Politics, a Master of Arts
in Economics, a Master of Sciences in Investment & Treasury Management and a Diploma in Corporate Governance. Mr O'Sullivan is a non-executive director of a number of investment funds.

David Haydon is a Managing Director at Morgan Stanley and Head of Complex Structures, fund and fund-linked business within the DSP sub-division in Institutional Equities. David joined Morgan Stanley in 2003 and is a certified public accountant. Prior to his current role, he worked as chief operating officer and head of product control for the Delta 1 structured products business within Morgan Stanley.

The Fund has delegated the day to day management, administration and running of the Fund in accordance with policies approved by the Directors, to the Administrator, the Investment Manager and the Distributor and has appointed the Depositary as depositary of its assets. Consequently, all Directors of the Fund are non-executive.

3 Investment Manager

The Investment Manager of a number of Sub-Funds of the Fund is Fundlogic SAS which is incorporated in France. The Fund may appoint other investment managers in respect of a specific Sub-Fund. Alternatively, the Investment Manager may appoint one or more sub-investment managers in respect of a specific Sub-Fund. Details of other investment managers or sub-investment managers, if any, appointed to specific Sub-Funds will be set forth in the Supplement for the relevant Sub-Fund. Any such Supplement will be submitted to the Central Bank in advance of the appointment of any such other investment managers or sub-investment managers.

The Investment Manager has been appointed to provide investment management services to the Fund.

The Investment Manager’s registered office is at 61 Rue de Monceau, 75008 Paris, France.

Subject to controls imposed by the Directors under the investment management agreement, all relevant laws and regulations, this Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Fund.

The Investment Manager is regulated by the Autorite des Marches Financiers in France.

As at 30 April 2017, Fundlogic SAS had approximately US$4.4 billion of assets under management.

Under the investment management agreement, the Investment Manager may, subject to the prior approval of the Fund and the Central Bank, appoint one or more Sub-Investment Managers from time to time to perform and/or exercise all or any of its functions, powers, discretions, duties and obligations under the investment management agreement. Such Sub-Investment Managers will not be paid out of the assets of the Fund. Details of such Sub-Investment Managers will be provided to Shareholders on request and details of any Sub-Investment Manager will be disclosed in the periodic reports of the Fund.

For the avoidance of doubt, all references in the remainder of this document to the Investment Manager shall include such other investment manager or sub-investment manager, as appropriate.

4 Depositary

The Fund has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as depositary to the Fund.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2017, the Northern Trust Group’s assets under custody totalled in excess of US$7.1 trillion.

The Depositary has been entrusted with the following main functions:
ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles;

(ii) ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles;

(iii) carrying out the instructions of the Fund unless they conflict with applicable law and the Articles;

(iv) ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits;

(v) ensuring that the income of the Fund is applied in accordance with applicable law and the Articles;

(vi) monitoring the Fund’s cash and cash flows; and

(vii) safe-keeping of the Fund’s assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to the Shareholders on request from the Fund. A list of the Depositary’s delegates is outlined in detail at Appendix III.

5 Administrator and Registrar

The Fund has appointed Northern Trust International Fund Administration Services (Ireland) Limited to act as administrator, registrar and transfer agent of each Sub-Fund.

The Administrator is responsible for the administration of the Fund’s affairs including the calculation of the Net Asset Value and preparation of the Fund’s annual and semi-annual report, subject to the overall supervision of the Fund. The Administrator is not responsible for the monitoring of the Fund’s or any Sub-Fund’s investments with any investment rules and restrictions contained in any agreement and / or this Prospectus, unless otherwise stated.

The Administrator was incorporated as a limited liability company on 15 June 1990. The Administrator is a wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. The Administrator’s principal business is the provision of administration services to collective investment schemes.

6 Investment Objective and Policies

The Articles provide that the investment objective and policies for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund. Details of the investment objective and policies of each Sub-Fund appear in the Supplement for the relevant Sub-Fund. Any changes in the investment objective or any material change to the investment policy of a Sub-Fund may only be made with the approval of an ordinary resolution of the Shareholders of the relevant Sub-Fund. Subject and without prejudice to the preceding sentence in the event of a change of investment objective and/or a material change of investment policy of a Sub-Fund, a reasonable notification period must be given to each Shareholder of the relevant Sub-Fund to enable them to redeem their Shares.

7 Restrictions

The particular investment restrictions for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund and will appear in the Supplement for the relevant Sub-Fund.
Details of the investment restrictions laid down in accordance with the Central Bank UCITS Regulations in respect of each Sub-Fund are set out below.

8 Borrowing and Lending Powers

The Fund may borrow up to 10% of a Sub-Fund's net assets at any time for the account of the Sub-Fund and the Fund may charge the assets of such Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Any particular borrowing restrictions for a Sub-Fund will appear in the Supplement for the relevant Sub-Fund. Without prejudice to the powers of the Fund to invest in transferable securities, the Fund may not lend to, or act as guarantor on behalf of, third parties. A Sub-Fund may acquire debt securities and securities which are not fully paid.

9 Permitted Investments

Investments of each Sub-Fund are confined to:

9.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, recognised and open to the public in a Member State or non-Member State (and which in each case is listed in Appendix II).

9.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

9.3 Money market instruments other than those dealt on a regulated market.

9.4 Units of UCITS.

9.5 Units of alternative investment funds (AIFs).

9.6 Deposits with credit institutions.

9.7 Financial derivative instruments (FDI).

10 Investment Restrictions

10.1 Each Sub-Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 10.1.

10.2 Each Sub-Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 10.1 within a year. This restriction will not apply in relation to investment by each Sub-Fund in certain US securities known as Rule 144A securities provided that:

10.2.1 the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and

10.2.2 the securities are not illiquid securities i.e. they may be realised by each Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.
10.3 Each Sub-Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

10.4 Subject to the prior approval of the Central Bank, the limit of 10% in 10.3 is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Fund.

10.5 The limit of 10% in 10.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

10.6 The transferable securities and money market instruments referred to in 10.4 and 10.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 10.3.

10.7 Deposits with any one credit institution, other than credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Depositary.

10.8 The risk exposure of each Sub-Fund to a counterparty in an over the counter (OTC) derivative transaction may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

10.9 Notwithstanding paragraphs 10.3, 10.5 and 10.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

10.9.1 investments in transferable securities or money market instruments;

10.9.2 deposits, and/or

10.9.3 counter party risk exposures arising from OTC derivative transactions.

10.10 The limits referred to in 10.3, 10.5, 10.7, 10.8 and 10.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

10.11 Group Companies are regarded as a single issuer for the purposes of 10.3, 10.5, 10.7, 10.8 and 10.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

10.12 Each Sub-Fund may invest up to 100% of net assets in transferable securities and money market instruments issued or guaranteed by OECD Governments (provided the relevant issues are investment grade), the Governments of Brazil or India (provided the relevant issues are investment grade), Government of Singapore,

Each Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

11 Investment in Collective Investment Schemes

11.1 A Sub-Fund may not invest more than 10% of net assets in other open-ended CIS.

11.2 When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Sub-Fund's investment manager or by any other company with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding, neither the investment manager nor that other company may charge initial, conversion or repurchase fees on account of that Sub-Fund's investment in the units of such other CIS.

11.3 Where a commission (including a rebated commission) is received by a Sub-Fund's investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Sub-Fund.

Index Tracking Sub-Funds

11.4 A Sub-Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Sub-Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.

11.5 The limit in 11.4 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

12 General Provisions

12.1 The Investment Manager, acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

12.2 Each Sub-Fund may acquire no more than:

12.2.1 10% of the non-voting shares of any single issuing body;

12.2.2 10% of the debt securities of any single issuing body;

12.2.3 25% of the units of any single CIS;

12.2.4 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in 12.2.2, 12.2.3 and 12.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the...
securities in issue cannot be calculated.

12.3 13.1 and 13.2 shall not be applicable to:

12.3.1 transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

12.3.2 transferable securities and money market instruments issued or guaranteed by a non-Member State;

12.3.3 transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

12.3.4 shares held by each Sub-Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which each Sub-Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 11.3 to 11.11, 13.1, 13.2, 13.4, 13.5 and 13.6 and provided that where these limits are exceeded, 13.5 and 13.6 are observed;

12.3.5 shares held by the Sub-Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders’ request exclusively on their behalf.

12.4 A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

12.5 the Central Bank may allow recently authorised Sub-Funds to derogate from the provisions of 11.3 to 11.12, 12.4 and 12.5 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

12.6 If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

12.7 A Sub-Fund may not carry out uncovered sales of:

12.7.1 transferable securities;

12.7.2 money market instruments;

12.7.3 units of CIS; or

12.7.4 FDIs

12.8 A Sub-Fund may hold ancillary liquid assets.

12.9 It is intended that each Sub-Fund should have the power to avail of any change in the law, regulations or guidelines which would permit investment in assets and securities on a wider basis in accordance with the requirements of the Central Bank.
Financial Derivative Instruments

13.1 A Sub-Fund’s global exposure relating to FDI must not exceed its total net asset value.

13.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)

13.3 A Sub-Fund may invest in FDIs dealt in over the counter (OTC) provided that the counterparties to over-the-counter transactions are institutions, with legal personality, typically located in OECD jurisdictions, subject to prudential supervision and belonging to categories approved by the Central Bank.

13.4 Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

The Fund employs a risk management process in respect of each Sub-Fund which enables it to accurately measure, monitor and manage the various risks associated with FDI. A statement of this risk management process has been submitted to the Central Bank. The Fund will, on request, provide supplementary information to Shareholders relating to any risk management methods to be employed by the Fund in respect of any Sub-Fund, including the quantitative limits that are applied, and any recent developments in the risk and yield characteristics of the main categories of investments. Any FDI contemplated by this Prospectus but which are not included in the risk management process will not be utilised until such time as a revised risk management process has been provided to the Central Bank. The techniques and instruments to be used for each Sub-Fund, if any, will be set forth in the relevant Supplement.

Efficient Portfolio Management

The Fund may employ, without limit, investment techniques and instruments for efficient portfolio management of the assets of the Fund or of any Sub-Fund and for short term investment purposes under the conditions stipulated by the Central Bank under the Regulations and described below. Use of techniques and instruments which relate to transferable securities and money market instruments and which are used for the purposes of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

14.1 They are economically appropriate in that they are realised in a cost effective way;

14.2 They are entered into for one or more of the following specific aims:

14.2.1 the reduction of risk;

14.2.2 the reduction of cost; or

14.2.3 the generation of additional capital or income for the Sub-Fund for a level of risk which is consistent with the risk profile of the Sub-Fund and the risk diversification rules set out in the Central Bank UCITS Regulations.

14.3 Their risks are adequately captured in the risk management process; and

14.4 They cannot result in a change to the Sub-Fund’s declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

FDI used for efficient portfolio management must also comply with the Central Bank UCITS Regulations. Such
FDI may comprise futures, forwards, options and swaps and their use may include hedging against market movements, currency exchange or interest rate risks in accordance with the investment policies of a Sub-Fund and under the conditions and within the limits stipulated by the Central Bank under the Regulations.

In respect of Hedged Share Classes it is expected that the extent to which the relevant currency exposure will be hedged will, subject to the requirements and conditions of the Central Bank, range from 95% to 105% of the Net Asset Value of the relevant Hedged Share Class. Over-hedged or under-hedged positions may arise due to factors outside the control of the relevant Sub-Fund. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed 105% of the Net Asset Value of the relevant Hedged Share Class. This review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month.

14.5 A Sub-Fund may also enter into repurchase/reverse repurchase ("repo contracts") and/or stock lending agreements in accordance with the requirements of the Central Bank. Repo contracts and securities lending transactions do not constitute borrowing for the purposes of the Regulations. The following applies to repo contracts and securities lending arrangements entered into in respect of Fund and reflects the requirements of the Central Bank and is subject to changes thereto:

(a) Repo contracts and securities lending may only be effected in accordance with normal market practice.

(b) The Fund must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.

(c) Where the Fund enters into repurchase agreements in respect of a Sub-Fund, the Fund must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

(d) Where the Fund enters into reverse repurchase agreements in respect of a Sub-Fund, the Fund must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

The counterparty to a repo contract or securities lending arrangement must satisfy the relevant requirements of the Central Bank UCITS Regulations. Where the counterparty is subject to a credit rating by any agency registered and supervised by the European Securities and Markets Authority, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

Any revenues from efficient portfolio management techniques not received directly by the Fund in respect of a Sub-Fund, net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the Sub-Fund. The entities to which any direct and indirect costs and fees are paid will be disclosed in the periodic reports of the Fund and will indicate if these are parties related to the Fund or the Depositary. To the extent that the Fund engages in securities lending in respect of the Sub-Fund it may appoint a securities lending agent which may receive a fee in relation to its securities lending activities. Any such securities lending agent is not expected to be an affiliate of the Depositary or Investment Manager. Any operational costs arising from such securities lending activities shall be borne by the securities lending agent out of its fee.

Each Sub-Fund’s exposure to securities financing transactions (total return swaps, repo contracts and securities lending arrangements) will be outlined in detail in the relevant Supplement.
14.6  Management of collateral for OTC FDI transactions and efficient portfolio management

For the purposes of this section, “Relevant Institutions” refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

(a) Collateral obtained in respect of OTC FDI transactions and efficient portfolio management techniques (“Collateral”), such as a repo contract or securities lending arrangement, must comply with the following criteria:

(i) liquidity: Collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations;

(ii) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;

(iii) issuer credit quality: Collateral should be of high quality;

(iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(v) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Sub-Fund’s Net Asset Value. When the Sub-Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By way of derogation from this sub-paragraph, a Sub-Fund may be fully collateralised in any of the issuers listed in paragraph 10.12. Such a Sub-Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Sub-Fund’s Net Asset Value; and

(vi) immediately available: Collateral must be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

All assets received in respect of a Sub-Fund in the context of efficient portfolio management techniques will be considered as Collateral for the purposes of the Regulations and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Fund.

(b) Collateral must be held by the Depositary or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party Depositary which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.

(c) Non-cash Collateral cannot be sold, re-invested or pledged.

(d) Cash Collateral:
Cash received as Collateral may only be:

(i) placed on deposit, or invested in certificates of deposit, with Relevant Institutions;
(ii) invested in high quality government bonds;
(iii) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund can recall at any time the full amount of the cash on an accrued basis; and
(iv) invested in short term money market funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral set out above. The Fund must be satisfied, at all times, that any investment of cash Collateral will enable it to meet with its repayment obligations. Invested cash Collateral may not be placed on deposit with, or investment in securities issued by, the counterparty of related entity.

The Fund has implemented a documented haircut policy in respect of each class of assets received as Collateral in respect of a Sub-Fund. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of any Collateral received by the Fund, adjusted in light of the haircut policy, shall equal or exceed, in value, at all times, the relevant counterparty exposure.

The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits set out in the section of the Prospectus entitled Investment Restrictions.

In the event that a Sub-Fund received Collateral for at least 30% of its net assets, it will implement a stress testing policy to ensure that regular stress tests carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to Collateral.

15 Risk Factors

The following risk factors may apply in respect of any investment in the Fund:

15.1 General

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares relating to each Sub-Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of investments to diminish or increase.

While the provisions of the Companies Act provide for segregated liability between Sub-Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors’ claims. Accordingly, it is not free from doubt that the assets of any Sub-Fund of the Fund may not be exposed to the liabilities of other Sub-Funds of the Fund. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Sub-Fund of the Fund.

The Fund and the Investment Manager will not have control over the activities of any company or collective investment scheme invested in by a Sub-Fund. Managers of collective investment schemes and companies in
which a Sub-Fund may invest may take undesirable tax positions, employ excessive leverage, or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the Investment Manager.

There is no assurance that each Sub-Fund will achieve its investment objective.

15.2 Withholding tax

The income and gains of the Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the Fund, the relevant Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

15.3 FATCA

The Fund will require Shareholders to certify information relating to their status for FATCA purposes and to provide other forms, documentation and information in relation to their FATCA status. The Fund may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Fund could become subject to US FATCA withholding tax in respect of its US source income if the US Internal Revenue Service specifically identified the Fund as being a ‘non-participating financial institution’ for FATCA purposes. Any such US FATCA withholding tax would negatively impact the financial performance of the Fund and all Shareholders may be adversely affected in such circumstances.

Your attention is drawn to the section “U.S. Foreign Account Tax Compliance Act” under “Taxation” below.

15.4 Foreign Taxes

The Fund may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Fund may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Fund may, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Fund obtains a repayment of foreign tax, the Net Asset Value of the Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

15.5 Repurchase, Reverse Repurchase and stock lending transactions

A Sub-Fund may enter into repurchase, reverse repurchase and stock agreements subject to the conditions and limits set out in the Central Bank UCITS Regulations. If the other party to an agreement should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities or Collateral as the case may be held by the Sub-Fund in connection with the refuted repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase or return the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

15.6 Currency risks

In circumstances where a Sub-Fund employs hedging techniques in respect of non-Base Currency denominated investments in order to seek to hedge the currency exchange risk back to the Base Currency, a risk remains that such hedging techniques may not always achieve the objective of seeking to limit losses and exchange rate risks. Performance may be strongly influenced by movements in currency exchange rates because currency positions held by the Sub-Fund may not correspond with the securities positions held. In the case of Unhedged Share Classes the value of the Share expressed in the Class currency will be subject to exchange rate rise in relation to Base Currency.
15.7 Hedged Share Classes

Hedged Share Classes utilise hedging strategies to seek to limit exposure to currency movements between a Sub-Fund’s Base Currency, and the currency in which the Hedged Share Class is denominated.

Such hedging strategies may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful. Mismatches may result between a Sub-Fund’s currency position and the Hedged Share Classes issued for that Sub-Fund.

The use of hedging strategies may substantially limit Hedged Share Class Shareholders from benefiting if the currency of the Hedged Share Class falls against the Sub-Fund’s Base Currency. The costs of hedging and all gains/losses from hedging transactions (and the transactions themselves) are allocated solely to the relevant Hedged Share Class.

Investors should also note that the hedging of Hedged Share Classes is distinct from any hedging strategies that the Investment Manager may implement at Sub-Fund level (the risks associated with which are described under Currency risks above).

15.8 Market risks

The investment policy for each Sub-Fund describes the FDIs which may be entered into on behalf of the Sub-Fund. Pursuant to such policy, each Sub-Fund may also hold transferable securities and money market instruments as described in the relevant policy. In accordance with the terms of the FDI, the Sub-Fund should not ordinarily be exposed to the economic risk associated with such securities. However, in the event that the counterparty to a particular FDI defaults, the Sub-Fund may become exposed to the relevant securities’ economic performance. To this extent and to the extent that a Sub-Fund holds transferable securities and money market instruments directly in accordance with its investment policy, investors should be aware of the risks (described below) associated with the types of securities which may be held by the Sub-Fund.

15.9 The Index or Reference Assets

Where a Sub-Fund seeks to track the performance of an Index or Reference Asset to which it relates it may not always do so with perfect accuracy. Tracking error may arise as a result of a number of factors including the structure of the FDI, costs associated with entering into, renewing, adjusting and closing out such FDI, any other fees or costs, or any cash or other assets held by the Sub-Fund.

Some Sub-Funds may seek to generate a return in line with the performance of an Index or other Reference Asset with performance history that may be less than a year. In deciding whether to subscribe for Shares in such Sub-Fund, prospective Shareholders have little or no performance record to evaluate the Index and Reference Asset returns prior to commencement of operations of the Sub-Fund. In any event there is no guarantee that the historic performance of any Index or Reference Asset will be tracked in the future.

The methodology to collect prices and to calculate the index value of some of the Indices or Reference Assets may be proprietary to the relevant index sponsor or other third parties.

The ability of a Sub-Fund which seeks to track the performance of the Index or Reference Asset to pursue its investment objective and policy is dependent upon the ongoing operation and availability of the Index or Reference Asset. Neither the Investment Manager nor the Fund is able to ensure the ongoing operation and availability of the relevant Index or Reference Asset. In the event that the Index or Reference Asset is disrupted or unavailable, the ability of the Sub-Fund to achieve the investment objective will become severely impaired or impossible. In the event that the Index or Reference Asset Index is permanently unavailable or discontinued, dealings in the Sub-Fund may be suspended (pending closure of the Sub-Fund).
15.10 Interest Rates

The values of fixed income securities held by a Sub-Fund, or to which a Sub-Fund’s performance is exposed, will generally vary inversely with changes in interest rates and such variation may affect Share prices accordingly.

15.11 Issuer Risk

In relation to any securities held by a Sub-Fund, or to which a Sub-Fund’s performance is exposed, the value of those securities may fall as well as rise, and there is no guarantee that historic performance will be repeated. A number of diverse and unrelated factors may cause the price of any securities to fall, including general economic and market conditions or political or social unrest. The value of any securities may not rise or fall in accordance with the general market, for example where the issuer of the securities in question is suffering or expected to suffer poor performance, or the industry or geographic location of the issuer is suffering or expected to suffer poor performance.

15.12 Real Estate Industry

A Sub-Fund may hold or be exposed to the performance of securities of companies principally engaged in the real estate industry. Such securities have specific risks associated with them. These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of a Sub-Fund.

15.13 Emerging Markets

A Sub-Fund may hold or be exposed to the performance of securities of issuers domiciled in emerging markets. In certain emerging countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have, for the most part, substantially less volume than more developed markets, and securities of many companies may be less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of certain of the Sub-Funds.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Sub-Fund may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

Settlement systems in emerging markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the Sub-Funds may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment shall be made prior
to receipt of the security which is being purchased, or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the "Counterparty") through whom the relevant transaction is effected might result in a loss being suffered by Sub-Funds investing in or exposed to the performance of emerging market securities. Where the Sub-Funds invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Funds which are traded in such markets and which have been entrusted to sub-custodians, in the circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depositary will have no liability.

Morgan Stanley & Co. International plc may be appointed as sub-custodian.

The Fund will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Sub-Fund will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

Investments in the Russian Federation are subject to certain heightened risks with regard to the ownership and custody of securities. In this country this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing ownership of such companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. The ownership is not transferred to the buyer on trade date. Only upon the completion of the registration process is ownership passed on. Ownership is noted in the registrar's records and the records of the correspondent and can be confirmed and evidenced by the possession of an 'extract'. An extract demonstrates that a certain number of securities are recorded in the registrar's or correspondent's records as belonging to the owner at that point in time. As a result of this system and the lack of effective state regulation and enforcement, the Sub-Fund could lose its registration and ownership of such securities through fraud, negligence or even mere oversight. However, in recognition of such risks, the relevant correspondent to the Depositary has entered into agreements with company registrars and will only permit investment in those companies that have adequate registrar procedures in place.

There is no single central securities depository in the Russian Federation established to manage the clearing, settlement and safekeeping of all securities. Furthermore, securities such as MinFin's bonds are settled by a given and the de-facto central depository. Neither the Depositary nor the correspondent is responsible for the potential default of the depository.

Other risks could include, by way of example, controls on foreign investment and limitations on the repatriation of capital and the exchange of local currencies, the impact on the economy as a result of religious or ethnic unrest.

If a Sub-Fund invests more than 20% in emerging markets then an investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

15.14 Depositary Receipts

A Sub-Fund may hold or be exposed to depositary receipts (ADRs, GDRs and EDRs). These are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly whilst the depositary receipts are traded on recognised exchanges, there may be other risks associated with such instruments to consider- for example the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.

15.15 Non-Investment Grade Securities

Certain Sub-Funds may hold or be exposed to the performance of fixed income securities rated below investment grade. Such securities may have greater price volatility, greater risk of loss of principal and interest, and greater default and liquidity risks, than more highly rated securities. If a Sub-Fund invests more than 30% in these
securities then an investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

15.16 Use of FDIs

The Investment Manager will enter into FDI transactions on behalf of each Sub-Fund as a key component of the investment objective and policy. While the prudent use of FDIs may be beneficial, FDIs also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments.

The following is a general discussion of important risk factors and issues concerning the use of FDIs that investors should understand before investing in a Sub-Fund.

15.16.1 Market Risk

This is a general risk that applies to all investments, including FDIs, meaning that the value of a particular FDI may go down as well as up in response to changes in market factors. A Sub-Fund may also use FDIs to short exposure to some investments. Should the value of such investments increase rather than fall, the use of FDIs for shorting purposes will have a negative effect on the Sub-Fund’s value and in extreme market conditions may, theoretically, give rise to unlimited losses for the Sub-Fund. Should such extreme market conditions occur, investors could, in certain circumstances, therefore face minimal or no returns, or may even suffer a loss on their investment in that particular Sub-Fund.

15.16.2 Liquidity Risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a FDI transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Fund will only enter into OTC FDIs if it is allowed to liquidate such transactions at any time at fair value).

15.16.3 Counterparty Risk

The Sub-Funds may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit risk of their counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Funds could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that these arrangements may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

15.16.4 Legal risk

There is a possibility that the agreements governing the derivative transactions may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such arrangements are not legally enforceable or if the derivative transactions are not documented correctly.

15.16.5 Other Risks

Other risks in using FDIs include the inability of FDIs to correlate perfectly with underlying securities, rates and indices. Many FDIs, in particular OTC FDIs, are complex and the valuation can only be provided by a limited number of market professionals who often are acting as counterparties to the transaction to be valued.

FDIs do not always perfectly or even highly correlate to or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund’s use of FDI techniques may not always be an effective means of following a Sub-Fund’s investment objective.
15.17 Swaps

Swaps are entered into in an attempt to obtain a particular return without the need to actually purchase the reference asset. Swaps can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease the Sub-Fund’s exposure to long-term or short-term interest rates, currency values, commodities, indices, or other factors such as security prices, baskets of securities, or inflation rates. Depending on how they are used, swaps may increase or decrease the overall volatility of the Sub-Fund’s Net Asset Value. Swaps may embed an agreed fee or rate of return for the counterparty.

Most swaps entered into by a Sub-Fund would require the calculation of the obligations of the parties to the agreements on a “net basis”. Consequently, a Sub-Fund’s current obligations (or rights) under a swap generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). The risk of loss with respect to swaps is limited to the net amount of payments that the Sub-Fund is contractually obligated to make. If the other party to a swap defaults, a Sub-Fund’s risk of loss consists of any margin or the net amount of payments that the Sub-Fund is contractually entitled to receive if uncollateralised.

15.18 Regulatory Oversight

The financial services industry generally, and investment managers in particular, has been subject to intense and increasing regulatory scrutiny. This scrutiny is expected to result in changes to the regulatory environment in which the Fund and any investment manager appointed to it operate and to impose administrative burdens on investment managers, including, without limitation, the requirement to interact with various governmental and regulatory authorities and to consider and implement new policies and procedures in response to regulatory changes. Such changes and burdens will divert such investment managers’ time, attention and resources from portfolio management activities.

15.19 Systems Risks

The Fund depends on the investment managers to develop and implement appropriate systems for the Fund’s activities. The Fund relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolios and net capital and to generate risk management and other reports that are critical to the oversight of the Fund’s activities. In addition, certain of the Fund’s and its investment managers’ operations interface with or depend on systems operated by third parties, including Morgan Stanley & Co. International plc, market counterparties and their sub-custodians and other service providers and the investment managers may not be in a position to verify the risks or reliability of such third-party systems. Those programs or systems may be subject to certain defects, failures or interruptions, including, without limitation, those caused by computer “worms”, viruses and power failures. Any such defect or failure could have a material adverse effect on the Fund and its Sub-Funds. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the investment managers’ ability to monitor their investment portfolios and their risks.

15.20 Operational Risk

The Fund depends on its investment managers to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation and settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Fund’s operations may cause the Fund and its Sub-Funds to suffer financial loss, the disruption of their business, liability to clients or third parties, regulatory intervention or reputational damage. The investment managers’ businesses are highly dependent on their ability to process, on a daily basis, transactions across numerous and diverse markets. Consequently, the Fund and its Sub-Funds depends heavily on the investment managers’ financial, accounting and other data processing systems. The ability of those systems to accommodate an increasing volume of transactions could also constrain a Sub-Fund’s ability to manage its portfolio.
15.21 Misconduct of Employees and of Third Party Service Providers

Misconduct by employees or by third party service providers could cause significant losses to the Fund. Employee misconduct may include binding the Fund and/or its Sub-Funds to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's and/or its Sub-Funds' business prospects or future marketing activities. Although any investment managers appointed to the Fund or any of its Sub-Funds will adopt measures to prevent and detect employee misconduct and to select reliable third party service providers, such measures may not be effective in all cases.

15.22 Competition; Availability of Investments

Certain markets in which the Fund and its Sub-Funds may invest are extremely competitive for attractive investment opportunities and as a result there may be reduced expected investment returns. The Fund and its Sub-Funds will compete with a number of other participants who may have capital in excess of the funds available to the Fund and its Sub-Funds. There can be no assurance that an investment manager will be able to identify or successfully pursue attractive investment opportunities in such environments.

15.23 Litigation

With regard to certain of the Fund's or its Sub-Funds' investments, it is a possibility that an investment manager and/or a Sub-Fund may be plaintiffs or defendants in civil proceedings. The expense of prosecuting claims, for which there is no guarantee of success, and/or the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Sub-Fund and would reduce net assets or may, pursuant to applicable law, require investors to return to the Sub-Fund distributed capital and profits.

15.24 Directorships on Boards of Portfolio Companies

The Fund's investment managers and/or their affiliates or designees may serve as directors of, or in a similar capacity with, portfolio companies, the securities of which are purchased or sold on or behalf of the Fund or its Sub-Funds. In the event that material non-public information is obtained with respect to such portfolio companies or a Sub-Fund becomes subject to trading restrictions pursuant to the internal trading policies of such portfolio companies or as a result of applicable law or regulations, a Sub-Fund may be prohibited for a period of time from purchasing or selling the securities of such portfolio companies, which prohibition may have an adverse effect on the Sub-Fund.

15.25 Proxy Contests and Unfriendly Transactions

A Sub-Fund may purchase securities of a company which is the subject of a proxy contest (or may initiate such a proxy contest) in the expectation that existing management can be convinced to or new management will be able to improve the company's performance or effect a sale or liquidation of its assets so that the price of the company's securities will increase. If such efforts fail, the market price of a company's securities will typically fall, which may cause the Sub-Fund to suffer a loss.

In addition, where any such action is opposed by the subject company's management, litigation can be expected to ensue. Such litigation involves substantial uncertainties as to outcome and may impose substantial cost and expense on the company and on the other participants in the litigation, including if applicable the Sub-Fund.
15.26 Debt Securities Generally

A Sub-Fund may have exposure to debt securities that are unrated, and whether or not rated, the debt investments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer’s ability to make timely payment of interest and principal. Such investments are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these securities and may have an adverse impact on the value of such investments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

15.27 Convertible Securities

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock or other securities of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock or other security due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock or other security increases.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth at market value if converted into the underlying common stock or other security). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying security. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying security approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying security while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Sub-Fund is called for redemption, the Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying security or sell it to a third party. Any of these actions could have an adverse effect on the Sub-Fund’s ability to achieve its investment objective.

15.28 High Yield Securities

A Sub-Fund may invest in high yield securities. Such securities are generally not exchange traded and as a result these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace (although it is a permitted market for UCITS such as the Fund). In addition, a Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer’s inability to meet timely interest and principal payment obligations. The market value of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have
available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

15.29 Regulatory Limits

"Position limits" imposed by various regulators may limit a Sub-Fund’s ability to effect desired trades. Position limits are the maximum amount of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different funds or accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if a Sub-Fund does not intend to exceed applicable position limits, it is possible that other funds or accounts managed by an investment manager or their affiliates may be aggregated, with a corresponding restriction on the investment activities of the Sub-Fund (which may be significant). If at any time the positions managed by an investment manager were to exceed applicable position limits, the investment manager would be required to liquidate positions, which might include positions of the Sub-Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Sub-Fund might have to forego or modify certain of its contemplated trades.

15.30 Limits Due to Regulatory Requirements

A Sub-Fund may seek to acquire a significant stake in certain financial instruments. In the event such stake exceeds certain percentage or value limits, the Sub-Fund may be required to file a notification with one or more governmental agencies or comply with other regulatory requirements. In addition, all positions owned or controlled by the same person or entity, even if in different funds or accounts, may be aggregated for purposes of determining whether the applicable limits have been reached. Certain notice filings are subject to review that require a delay in the acquisition of the financial instrument. Compliance with such filing and other requirements may result in additional costs to the Sub-Fund, and may delay the Sub-Fund’s ability to respond in a timely manner to changes in the markets with respect to such financial instruments. As a result of these requirements, it is possible that the Sub-Fund will not pursue investment opportunities to the extent such pursuit would require the Sub-Fund to be subject to these requirements.

15.31 Capital Protection

The value of or return on Shares may be fully or partially protected. In certain circumstances, such protection may not apply. Shareholders may be required to hold their Shares until a specified maturity in order fully to realise the maximum protection available. Shareholders should read the terms of any protection with great care. Specifically, it should be noted that, unless otherwise expressly provided, it is unlikely that protection levels will be based on the price at which Shareholders may purchase the Shares in the secondary market (if any).

Further details of any additional risk factors which are applicable to a particular Sub-Fund may be set out in the relevant Supplement. The risk factors set out in this Prospectus do not purport to be an exhaustive or complete explanation of all the risks. Investors should seek professional advice before investing.

15.32 Valuation Risk

The Articles provide that the method of calculating the value of any investments listed or dealt in on a market shall be the last traded price, or if unavailable, the closing mid-market price on the relevant market at the relevant Valuation Point. Where an investment is valued at last traded price and there are subscriptions on repurchases on such Dealing Day, the difference between the last traded price and mid market price of an investment may adversely affect the value of underlying assets of the relevant Sub-Fund.
15.33 Cyber Security Risk

The Fund and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Fund, the Directors, Investment Manager, Distributor, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a company's ability to calculate its Net Asset Value; impediments to trading; the inability of Shareholders to transact business with the Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Fund or any Sub-Fund invests, counterparties with which the Fund or any Sub-Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

15.34 Collection Account Risk

The Fund operates subscription and redemption accounts at umbrella level in the name of the Fund, the Collection Account. Monies in the Collection Account, including subscription monies received in respect of the relevant Sub-Fund prior to the allotment of Shares, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers. Subscription and redemption accounts will not be established at a Sub-Fund level. All subscription and redemption monies and dividends or cash distributions payable to or from the Sub-Funds will be channelled and managed through the Collection Account.

Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Shares will be held in the Collection Account in the name of the Fund and will be treated as a general asset of the Fund. Investors will be unsecured creditors of the Fund with respect to any cash amount subscribed and held by the Fund in the Collection Account until such time as the Shares subscribed are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Sub-Fund in respect of which the subscription request was made or any other shareholder rights (including dividend entitlement) until such time as the relevant Shares are issued. In the event of the insolvency of that Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full.

Payment by a Sub-Fund of redemption proceeds and dividends is subject to receipt by the Fund or its delegate, the Administrator, of original subscription documents and compliance with all anti-money laundering procedures. Payment of redemption proceeds or dividends to the Shareholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Fund or its delegate, the Administrator. Redemption and distribution amounts, including blocked redemption or distribution amounts, will, pending payment to the relevant investor or Shareholder, be held in the Collection Account in the name of the Fund. For as long as such amounts are held in the Collection Account, the investors / Shareholders entitled to such payments from a Sub-Fund will be unsecured creditors of the Fund with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Sub-Fund or any other Shareholder rights (including further dividend entitlement). Redeeming Shareholders will cease to be Shareholders with regard to the redeemed Shares as and from the relevant redemption date. In the event of the insolvency of that Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and/or
information required in order for them to receive such payments to their own account is provided to the Fund or its delegate, the Administrator, promptly. Failure to do so is at such Shareholder’s own risk.

In the event of the insolvency of a Sub-Fund, recovery of any amounts to which other Sub-Funds are entitled, but which may have inadvertently transferred to the insolvent Sub-Fund as a result of the operation of the Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Collection Account. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient funds to repay amounts due to other Sub-Funds.

The Fund will operate the Collection Account in accordance with the provisions of the Articles.

16 Dividend Policy

The dividend arrangements relating to each Sub-Fund will be decided by the Directors at the time of the creation of the relevant Sub-Fund and details of such arrangements will be set out in the relevant Supplement.

Under the Articles, the Directors are entitled to pay such dividends on any class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Sub-Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends earned by the relevant Sub-Fund) less expenses and/or (ii) realised and unrealised gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated losses of the relevant Sub-Fund, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

The Fund will be obliged and entitled to deduct an amount in respect of Irish tax from any dividend payable to any investor who is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person and to pay such amount to the Revenue Commissioners in Ireland.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Sub-Fund. Dividends payable in cash to Shareholders will be paid by electronic transfer at the expense of the payee. Dividends payable to any investor who has failed to provide satisfactory evidence of their identity in accordance with the Administrator’s anti-money laundering procedures will be automatically re-invested notwithstanding any election to the contrary by such investor.

17 Applications for Shares

17.1 Issue of Shares

After the initial issue, Shares of all classes will be issued at a price corresponding to the Net Asset Value per Share of the relevant class. The Net Asset Value per Share of each class in each Sub-Fund will be published in its respective currency. Details of the Minimum Initial Subscriptions for each Sub-Fund and any subscription charges are set out in the Supplements.

Initial applications for Shares must be made in writing to the Administrator using a signed Application Form. Applications will be subject to an investor satisfying all applicable anti-money laundering and client identification checks. This will require the applicant to provide original identification documents, or certified copies thereof, to the Administrator. Subsequent applications may be made in writing by fax or by any other form of electronic communication provided that all ongoing anti-money laundering and client identification checks are complete. The Administrator, the Fund and any distributor of the Fund (on its own behalf and as agent of the Fund) shall be held harmless and indemnified against any loss arising as a result of a failure to process the application if such information has been required by the any of them has not been provided.

The Directors reserve the right to reject in whole or part any transaction in shares and monies received by the Fund for a rejected subscription will be returned without interest and at the risk of the investor. The Fund, the Directors, any distributor of the Fund (on its own behalf and as agent of the Fund) and the Administrator shall be held harmless and indemnified against any loss arising from the rejection of an application.
Joint applicants must each sign the Application Form unless an acceptable power of attorney or other written authority is provided.

A sub-distributor may impose different procedures and time limits (which may be earlier than those set out in the relevant Supplement to facilitate such sub-distributors forwarding such application to the Fund) if applications for Shares are made through them. Applicants should note that they may be unable to purchase Shares through a sub-distributor on days that such sub-distributor is not open for business.

It is intended that Shares will be issued on the Dealing Day for which an application is received in good standing by the relevant Dealing Deadline.

Any applications received by the Administrator after the Dealing Deadline for the relevant Dealing Day will ordinarily be processed on the next Dealing Day based on the Net Asset Value per Share calculated for the next Dealing Day. However, the Directors may, in their discretion, in exceptional circumstances only, permit applications received after the Dealing Deadline but before the Valuation Point for any particular Dealing Day, to be processed on that Dealing Day. The Directors may not be able to exercise the discretion in all circumstances, for example where applications for Shares are made via dealing platforms or other electronic means. In such cases, applications received after the Dealing Deadline may be rejected. Investors making applications via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

The Directors may restrict or prevent the ownership of Shares by any person, firm or corporate body, if in the opinion of the Directors such holding may be detrimental to the Fund, if it may result in a breach of any law or regulation, whether Irish or foreign, or if as a result thereof the Fund may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Directors being herein referred to as Prohibited Persons). In particular, the Directors have resolved to prevent the ownership of Shares by any US Person other than pursuant to a transaction which does not violate US securities laws.

The Directors retain the right to offer only one class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice.

The Directors may at their discretion issue Shares as consideration for a contribution in kind of securities and/or other assets, provided it is in compliance with the investment objective, policies and restrictions and the relevant Sub-Fund and in compliance with any conditions set forth by the Regulations and Irish law. The transaction costs incurred in connection with the acceptance by the Directors of an in kind subscription will be borne directly by the incoming Shareholder. The investments forming the in kind subscription will be valued in accordance with the valuation rules described below and the requirements of the Regulations. The value so determined, together with the Net Asset Value calculated for the Shares concerned in the relevant Sub-Fund, will determine the number of Shares to be issued to the incoming Shareholder. The purpose of the foregoing policy is to ensure that the existing Shareholders in a Sub-Fund do not bear the transaction costs of acquiring additional assets for a large incoming Shareholder.

If the Directors determine that it would be detrimental to the existing Shareholders to accept a cash application for Shares of any Sub-Fund which represents more than 10% of the Net Asset Value of such Sub-Fund, the Directors may decide that all or part of the application for Shares in excess of 10% be deferred until the next Dealing Day. If the Directors decide to defer all or part of the application in excess of 10% the applicant shall be informed prior to the deferral taking place.

17.2 Collection Account

Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Shares may be held in a Collection Account in the name of the Fund. Shareholders should refer to the risk statement Collection Account Risk in the section of this Prospectus headed Risk Factors for an understanding of their position vis-a-vis monies held in a Collection Account.
17.3 Payment Procedure

Applicants for any Shares must make payment in the currency in which the Share Class into which the investor is subscribing is denominated. Unless prior arrangements have been made, applicants must make payment in cleared funds to be received by the Settlement Date for the relevant Dealing Day in order to receive the Net Asset Value per Share applicable to that day.

If timely settlement is not made (or a completed Application Form is not received for an initial subscription), at the discretion of the Directors (a) the relevant allotment of Shares may be cancelled and an applicant may be required to compensate the relevant Sub-Fund or (b) the Fund may charge the applicant interest at a reasonable rate or (c) the applicant may be required to compensate the relevant Sub-Fund for any loss suffered by it and such compensation may be, for example, deducted from dividends payable to the applicant in relation to the Shares allotted to him. If payment is received in respect of any application after the Settlement Date, the Directors may at their discretion consider the application as being an application for Shares on the relevant Dealing Day.

17.4 Form of Shares

Shares will be issued in registered form and the share register is conclusive evidence of ownership. Contract notes providing details of the trade will normally be issued within three Business Days of the relevant Dealing Day. No share certificates will be issued. Statements will be issued to each Shareholder on a monthly basis confirming ownership, that the Shareholder is entered in the Fund's share register and the number of Shares which he/she is credited with in the share register in respect of each Sub-Fund. Contract notes and statements will be sent to applicants by ordinary post or by fax, electronic or other means. It is recommended that applicants check contract notes on receipt as processed transactions will only be changed at the discretion of the Directors and if the Directors deem it is appropriate, at the cost of the applicant.

Applicants are allocated a Shareholder number on acceptance of their application and this together with the Shareholder's details are proof of identity. Details of their Shareholder number will be contained in the contract note issued by the Administrator after the transaction has been processed. This Shareholder number should be used for all future dealings by the Shareholder with the Fund or the Administrator.

Any changes for example to the Shareholder's details or loss of Shareholder number must be notified immediately to the Administrator in writing. Failure to do so may result in delay upon repurchase. The Fund reserves the right to require an indemnity or verification countersigned by a bank, stockbroker or other party acceptable to it before accepting such instructions.

If any application is not accepted in whole or in part the application monies or the balance outstanding will be returned to the applicant by post or bank transfer at the applicant's risk.

17.5 General Provisions

The Directors reserve the right to reject any application or to accept the application in part only. Furthermore, the Directors reserve the right at any time, without notice, to discontinue the issue and sale of Shares of any Sub-Fund of the Fund.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended pursuant to the Articles and as discussed herein under Suspension of Calculation of Net Asset Value.

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Fund prior to the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.
Measures provided for in the Criminal Justice Act, 2013 (as may be amended and supplemented from time to time) which are aimed towards the prevention of money laundering may require detailed verification of each applicant’s identity, the identity of the beneficial owners of the applicant, the source of funds used to subscribe for Shares or other additional information which may be requested from an applicant or Shareholder from time to time; for example an individual may be required to produce an original or duly certified copy of his passport or identification card together with evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require production of an original or duly certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent) and the names, occupations, dates of birth and residential and business address of the directors of the company. Original documents, or duly certified copies, will be required in all circumstances.

Depending on the circumstances of each application, a detailed verification may not be required where; (a) the application is made through a recognised intermediary, (b) investment is made by a recognised intermediary or financial institution, or (c) in any other circumstances where an exception can be applied in accordance with applicable anti-money laundering and criminal justice law and regulation. These exceptions will only apply in certain circumstances if the financial institution or intermediary referred to above is located in a country which has equivalent anti-money laundering legislation to that in place in Ireland. Applicants may contact the Distributor in order to determine whether they meet the above exceptions.

The Administrator and the Distributor reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies, may refuse to settle redemption payments and will automatically re-invest any dividends. If an application for Shares is rejected, the Administrator will, at the cost and risk of the applicant and subject to any applicable laws, return subscription monies, or the balance thereof, to the account from which they had originally been received (minus any handling charge incurred in any such return) as soon as reasonably practicable by electronic transfer (but without interest, cost or compensation). Subscription monies will only be returned if such return is permissible under Irish money laundering and counter terrorist financing laws. None of the Fund, the Directors or the Administrator shall be liable to the applicant where an application for Shares is rejected in such circumstances.

Activities which may adversely affect the interests of a Sub-Fund’s Shareholders, for example the use of market timing investment strategies by Shareholders, are not permitted. Such strategies can disrupt the management of a Sub-Fund, negatively affect its performance and increase expenses. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Fund’s Shareholders, take action as appropriate to deter such activities.

The Directors may, if they deem it to be appropriate and in the interests of Shareholders reserve the right to refuse any application for exchange and/or subscription for Shares from Shareholders whom they consider to be associated with market timing activity at any time for any reason without prior notice. In this connection the Directors may instruct the Administrator to combine Shares which are under common ownership or control for the purposes of ascertaining whether Shareholders can be deemed to be involved in such activities. In addition the Directors reserve the right to require any Shareholder to redeem all Shares in the any Sub-Fund where they are of the opinion that the Shareholder’s trading in that Sub-Fund is designed to take advantage of short term market movements.

18 Repurchase of Shares

Shareholders wishing to have all or some of their Shares repurchased by the Fund may make an application for repurchase by submitting the duly completed repurchase form to the Administrator in writing by fax or by any other form of electronic communication provided that payment shall be made to the account on record (any changes to the account on record may only be made upon receipt of original written instructions). Applications must include details of the name of the Sub-Fund, class of Share, the number of Shares or the amount the Shareholder wishes to have repurchased, the Shareholder’s details, the Shareholder’s account number and any other information required by the repurchase form. Failure to provide any of this information may result in delay of the application for repurchase whilst verification (which may be requested in writing) is sought from the Shareholder. Applications for repurchase should be posted or sent by facsimile to the Administrator, or by any other form of electronic communication.
communication. Such applications may not be accepted and proceeds of repurchase will not be paid unless the signed Application has been received and the initial anti-money laundering or client identification checks have been completed in full. Any such blocked payments will be held in a Collection Account pending receipt, to the satisfaction of the Administrator, of the requisite documentation and/or information. None of the Fund, the Directors or the Administrator shall be liable to the Shareholder where the payment of redemption proceeds is delayed in such circumstances. Shareholders should refer to the risk statement Collection Account Risk in the section of this Prospectus headed Risk Factors for an understanding of their position vis-a-vis monies held in a Collection Account.

Such applications for repurchase will be considered as binding and irrevocable by the Fund. Written confirmations may be required by the Fund and must be duly signed by all registered holders, unless in the case of joint registered holders, each such holder has sole signing authority.

Applications received after the relevant Dealing Deadline for the relevant Dealing Day will ordinarily be processed on the next Dealing Day based on the Net Asset Value per Share calculated on the next Dealing Day. However, the Directors may permit, in their discretion, in exceptional circumstances only, applications received after the Dealing Deadline but before the Valuation Point for any particular Dealing Day, to be processed as at that Dealing Day based on the Net Asset Value per Share calculated on that Dealing Day. The Directors may not be able to exercise this discretion in all circumstances, for example where applications for repurchase of Shares are made via dealing platforms or other electronic means. In such cases, applications received after the Dealing Deadline may be rejected. Shareholders making applications for repurchase via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

A sub-distributor may impose different procedures and time limits (which may be earlier than those set out in the relevant Supplement to facilitate such sub-distributors forwarding such applications to the Fund) if applications for Share repurchases are made through them. Applicants should note that they may be unable to repurchase Shares through a sub-distributor on days that such sub-distributor is not open for business.

The applicant will be notified of the repurchase proceeds as soon as reasonably practicable after determination of the Net Asset Value. Shareholders are reminded that the repurchase proceeds can be higher or lower than the initial subscription amount.

If total requests for repurchase on any Dealing Day for a Sub-Fund exceed 10% of the total number of Shares in the Sub-Fund or 10% of the Net Asset Value of the Sub-Fund, the Directors may in their discretion refuse to redeem any Shares in excess of 10%. Any request for repurchase on such Dealing Day shall be reduced rateably and the repurchase requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been repurchased.

Alternatively, where repurchase requests would result in 5% or more of the Net Asset Value of Shares of any Sub-Fund being repurchased on any Dealing Day, or less than 5% with the consent of the Shareholder, the Directors may satisfy the repurchase request in whole or in part by an in-kind distribution of securities of the relevant Sub-Fund in lieu of cash. Asset allocation is subject to the approval of the Depositary. The Shareholder may require that the Fund, instead of transferring those assets, arrange for their sale and the payment of the net proceeds of sale, less any duties and charges, to that Shareholder. Shareholders who receive securities in lieu of cash upon repurchase should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the repurchasing Shareholder of the securities may be more or less than the repurchase price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the securities.

18.1 **Collection Account**

Cash redemption proceeds may, pending payment to the relevant Shareholder, be held in a Collection Account in the name of the Fund. Shareholders should refer to the risk statement Collection Account Risk in the section of this Prospectus headed Risk Factors for an understanding of their position vis-a-vis monies held in any such account.
18.2 Other Limits on Repurchase

Shareholders may ask for the repurchase of all or part of their Shares of any class. However, the Fund is not bound to comply with a request for repurchase of Shares (i) if such request relates to a part of a holding which consists of Shares having a value of less than the Minimum Repurchase Amount or (ii) if after repurchase the holder would be left with a balance of Shares having a value of less than the Minimum Holding for that class in which case the Fund may treat the request as a request for the repurchase of all, if applicable, of the Shareholder's Shares of that class.

18.3 Temporary Suspension of Repurchase

The right of any Shareholder to require the repurchase of the Shares of the Fund will be suspended during any period when the calculation of the Net Asset Value per Share of the relevant class is suspended by the Directors pursuant to the powers set out under the heading Suspension of Calculation of Net Asset Value. Notice of such suspension period will be given to any Shareholder tendering Shares for repurchase. The Shares in question will be repurchased on the first Dealing Day following the end of the suspension period.

If a period of suspension lasts for more than one calendar month after the date of an application for repurchase, the application may be cancelled by the Shareholder by notice in writing to the Administrator provided that the notice is received by the Administrator prior to the relevant Dealing Deadline on the last Business Day of the suspension period.

18.4 Compulsory Repurchase

If (i) the Net Asset Value of any Sub-Fund on a given Dealing Day shall become at any time less than US$25,000,000 or the equivalent in the currency of the relevant Sub-Fund (or such other amount as may be specified in the Supplement relating to a specific Sub-Fund); or (ii) notice has been received or issued in relation to the termination of the appointment of the Investment Manager of the Sub-Fund (or such termination has otherwise occurred or is pending), the Directors may, at their discretion, repurchase all but not less than all of the Shares of the applicable Sub-Fund then outstanding at the repurchase price calculated on the Expiration Date (as hereinafter defined). However, the Fund must (i) provide four weeks’ written notice of repurchase to all Shareholders of the classes of Shares to be repurchased, such notice expiring on the date stated in the notice (the Expiration Date) and (ii) repurchase such Shares within four weeks following such Expiration Date. Shareholders shall be notified in writing of any such repurchase.

If it shall come to the attention of the Directors at any time that Shares are beneficially owned by or on behalf of a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Fund to sell his Shares and to provide the Directors with evidence of such sale within twenty one days of being so directed by the Directors, the Directors may in their discretion compulsorily repurchase such Shares in accordance with the Articles. Immediately after the close of business specified in the notice given by the Fund to the Prohibited Person of such compulsory repurchase, the Shares will be repurchased and such investor will cease to be the owner of such Shares. The Fund may require any Shareholder or prospective Shareholder to furnish it with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person. In particular, the Fund may require the Shareholder or prospective Shareholder to provide the Fund with information as to whether such person is a U.S. Person.

19 Exchange of Shares

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class of one Sub-Fund (the "Original Class") for Shares where appropriate of the same class in a separate Sub-Fund which is being offered at that time (the "New Class") provided that all the criteria for applying for Shares in the New Class have been met, by giving notice to the Administrator on behalf of the Fund or within the Dealing Deadline for the relevant Valuation Point. The Directors, however, may at their sole discretion, in
exceptional circumstances only, agree to accept requests for exchange received after that time provided they are received prior to the relevant Valuation Point. The Directors may not be able to exercise this discretion in all circumstances, for example where requests for exchanges of Shares are made via dealing platforms or other electronic means. In such cases, requests for exchange received after the Dealing Deadline may be rejected. Shareholders making requests for exchanges via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

The general provisions and procedures relating to repurchases will apply equally to exchanges. All exchanges will be treated as a repurchase of the Shares of the Original Class and application of the net proceeds to the purchase of Shares of the New Class, based upon the then current issue and repurchase prices of Shares in each Sub-Fund. The Articles allow for an exchange fee of up to 3% of the total repurchase price of the Shares of the Original Class repurchased to be charged, and the Directors, in their sole discretion, reserve the right to impose such fee within this limit as shall be set out in the Supplement in respect of each Sub-Fund.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

\[
S = \frac{[R \times (RP \times ER)] - F}{SP}
\]

where:

- \( R \) = the number of Shares of the Original Class to be exchanged;
- \( S \) = the number of Shares of the New Class to be issued;
- \( RP \) = the repurchase price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- \( ER \) = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors on or about the Valuation Point for the relevant Dealing Day as representing the prevailing rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- \( SP \) = the issue price per Share of the New Class as at the Valuation Point for the relevant Dealing Day; and
- \( F \) = the exchange charge, if any payable to the Fund, or as it may direct, on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion \( S \) to \( R \).

Shares may not be exchanged for Shares in a different Sub-Fund during any period when the calculation of the Net Asset Value of either of the relevant Sub-Funds is suspended in the manner described under Suspension of Calculation of Net Asset Value below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

When requesting the exchange of Shares as an initial investment in a Sub-Fund, Shareholders should ensure that the value of the Shares exchanged is equal to or exceeds the Minimum Initial Subscription for the relevant New Class specified in the relevant Supplement. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding for the Original Class.

The Administrator will arrange for any necessary currency transaction required if there is an exchange of Shares.
of any class of a Sub-Fund for Shares of the same class in another Sub-Fund which are denominated in a different currency. Any such currency transaction may be effected with the Depositary or the Distributor and will be at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrator may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

20 Issue and Repurchase Prices / Calculation of Net Asset Value / Valuation of Assets

The initial issue price for Shares of each Sub-Fund shall be the amount(s) set out in the Supplements.

The price at which Shares of any Sub-Fund will be issued on a Dealing Day, after the initial issue, is calculated by ascertaining the Net Asset Value of the relevant Sub-Fund (i.e. the value of the assets of the Sub-Fund having deducted the liabilities of the Sub-Fund therefrom) as at the Valuation Point for that Sub-Fund for the relevant Dealing Day. The Net Asset Value per Share of the relevant Sub-Fund is calculated by dividing the Net Asset Value of the relevant Sub-Fund, by the total number of Shares in issue in the Sub-Fund at the relevant Valuation Point and rounding the result to three decimal places. Where applicable, the Net Asset Value per Share of each class in a Sub-Fund is calculated by determining that portion of the Net Asset Value of the Sub-Fund which is attributable to the relevant class and by dividing this sum by the total number of Shares of the relevant class in issue at the relevant Valuation Point and rounding the resulting amount to three decimal places. If a Sub-Fund has more than one class of Share, additional fees may be charged against certain classes, and details of such fees will be set forth in the Supplement for the relevant Sub-Fund. This may result in the Net Asset Value per Share of each class being different. The Valuation Point for each Sub-Fund is set out in the Supplements.

The price at which Shares will be issued on a Dealing Day is, subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Fund may, in calculating the issue price, include in the issue price in respect of each Sub-Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Shares which may also add a charge in respect of Duties and Charges. Applicants may also be charged an initial charge as specified in the Supplements.

The price at which Shares will be repurchased on a Dealing Day, is subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Fund may, in calculating the repurchase price, deduct a charge in respect of Duties and Charges. Applicants may also be charged a repurchase charge as specified in the Supplements hereof.

In calculating the issue/repurchase price for a Sub-Fund the Directors may on any Dealing Day when there are net subscriptions/repurchases make adjustments so that the issue/repurchase price reflects the addition/deduction of a dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Sub-Fund.

The Articles provide for the method of valuation of the assets and liabilities of each Sub-Fund.

In particular, the Articles provide that the method of calculating the value of any investments listed or dealt in on a market shall be the last traded price, or if unavailable at the closing mid market price on the relevant market at the relevant Valuation Point. Where any investment is listed or dealt in on more than one market the Directors shall select the market which constitutes the main market for such investment or which they determine provides the fairest criteria in a value for the security.

In the event of substantial or recurring net subscriptions, the Directors may adjust the Net Asset Value per Share to reflect the value of the Fund’s assets using the lowest market dealing offer price in order to preserve the value of the shareholding of continuing Shareholders. In the event of substantial or recurring net redemptions, the Directors may adjust the Net Asset Value per Share to reflect the value of the Fund’s assets using the highest market dealing bid price in order to preserve the value of the shareholding of continuing Shareholders. Where it is contemplated by the Directors that these powers may be utilised in respect of any Sub-Fund, there will be disclosure to that effect in the relevant Supplement.

Valuation policies will be applied on a consistent basis throughout the life of the Fund and there will be consistency in the policies adopted throughout the various categories of assets.
The value of any investment which is not listed or dealt in on a market or of any investment which is normally listed or dealt in on a market but in respect of which the last traded price, or if unavailable at the closing mid market price is currently unavailable or the current price of which does not in the opinion of the Directors represent fair market value, shall be the probable realisation value thereof estimated with care and in good faith by the Directors or by a competent person appointed by the Directors and approved for such purpose by the Depositary or any other means provided the value is approved by the Depositary.

Cash and other liquid assets will be valued at their face value plus interest accrued, where applicable.

The value of any prepaid expenses, cash dividends and interest declared or accrued and not yet received as at a Valuation Point shall be deemed to be the face value thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true current value thereof as at any Valuation Point.

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Directors may consider appropriate to reflect the true current value thereof as at any Valuation Point.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall be valued at the last traded price, or if unavailable, the closing mid-market price for such certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments.

Money market instruments in a non-money market fund may be valued on an amortised basis in accordance with the Central Bank’s requirements.

Forward foreign exchange contracts and interest rate swap contracts shall either be valued in the same manner as off-exchange derivative contracts below or by reference to freely available market quotations.

The value of any exchange traded futures contracts, share price index futures contracts, options and other quoted derivatives shall be based on the settlement price as determined by the market in question as at the Valuation Point. Where the settlement price is not available the value of such contract shall be its probable realisation value which must be estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Depositary.

The value of any off-exchange derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary. Alternatively the value of any over the counter derivative contract may be the quotation from an independent pricing vendor or that calculated by the Fund itself and shall also be valued daily. Where this alternative valuation is used the Fund must follow international best practice and adhere to specific principles on such valuations established by bodies such as IOSCO and AIMA. Any such alternative valuation must be provided by a competent person appointed by the Fund and approved for the purpose by the Depositary, or a valuation by any other means provided that the value is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these must be promptly investigated and explained.

The valuation of units or shares or other similar participations in any collective investment scheme which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking shall be the last available net asset value per unit or share or other relevant participation as published by the collective investment schemes as at the relevant Valuation Point or, if bid and offer prices are published, at the last bid price.

If in any case a particular value is not ascertainable as provided above, the method of valuation of the relevant investment shall be such as the Directors, with the approval of the Depositary, shall decide.
Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the base currency at the rate which the Administrator shall determine to be appropriate in the circumstances.

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they may deem relevant, such as applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.

21 **Suspension of Calculation of Net Asset Value**

The Fund may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund and the right of Shareholders to require the repurchase or exchange of Shares of any class and the payment of repurchase proceeds during (i) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Sub-Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of investments of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset Value of the Sub-Fund cannot fairly be calculated; (iii) any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund’s investments and other assets or when for any other reason the current prices on any market or stock exchange of any assets of the relevant Sub-Fund cannot be promptly and accurately ascertained; (iv) any period during which the Fund is unable to repatriate funds required for the purpose of making payments due on repurchase of Shares of any class in the relevant Sub-Fund or during which the transfer of funds involved in the acquisition or realisation of investments or payments due on repurchase of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or (v) any period where in the opinion of the Directors such suspension is justified having regard to the interests of the Fund; (vi) following the circulation to the relevant shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Fund or terminate the relevant Sub-Fund is to be considered. Except in the case of (vi) the Fund will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any class or exchanges of Shares of one Sub-Fund to another will be notified of any such suspension in such manner as may be directed by the Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately, and in any event within the same business day, to the Central Bank. The competent authorities in any jurisdiction where the Fund is registered for sale will also be notified.

22 **Management Charges and Expenses**

Details of the management charges and expenses payable by the Fund in respect of a Sub-Fund are set out in the relevant Supplement.

In the case of any individual Sub-Fund or class of Shares the Investment Manager may choose to waive all or any portion of its fees and/or to absorb other expenses at its absolute discretion for any period.

23 **General Charges and Expenses**

23.1 **Share dealing charges**

Details of the initial charge payable on subscription for Shares (if any) and/or the repurchase charge payable on repurchase of Shares (if any) and/or the exchange charge payable on the exchange of Shares (if any) are set out in respect of the Shares of each Sub-Fund in the Supplements.
Details of the charges and expenses payable in relation to further Sub-Funds or share classes will be determined at the time of the creation of such further Sub-Fund or share classes and will be set out in the relevant Supplement.

23.2 Remuneration

The Fund is subject to remuneration policies, procedures and practices (together, the “Remuneration Policy”), as required under the UCITS Directive. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Fund. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Fund and the Shareholders. The Remuneration Policy is reviewed annually and applies to staff whose professional activities have a material impact on the risk profile of the Fund, and ensures that no individual will be involved in determining or approving their own remuneration. The Directors who are directors, officers or employees of the Investment Manager or any affiliate thereof, do not receive any remuneration in respect of their services as directors of the Fund. The other Directors receive fixed remuneration in respect of their services which is set at a level determined by the board as a whole and which is not performance related. None of the directors are currently in receipt of variable remuneration in respect of their services as directors of the Fund. In addition, the Directors will also be entitled to be reimbursed for their reasonable and vouched out of pocket expenses incurred in discharging their duties as Directors.

The nature of the Directors’ remuneration, being fixed and not including any variable component and being determined by the board as a whole, ensures that the Fund appropriately manages any conflicts of interest in respect of remuneration. The Fund has not established a remuneration committee.

It is expected that the annual remuneration of each independent Director will not exceed Euro 60,000, plus VAT if applicable.

The Remuneration Policy can be found at www.fundlogic.com. This includes a description of how remuneration and benefits are calculated, and sets out the responsibilities for awarding remuneration and benefits. A copy can be requested free of charge from the Fund.

23.3 Ongoing Charges and Expenses

Each Sub-Fund will, unless otherwise specified in the relevant Supplement, pay any fees in respect of circulating details of the Net Asset Value, stamp duties, taxes, company secretarial fees, insurance (including directors’ and officers’ liability insurance), brokerage or other expenses of acquiring and disposing of investments, costs and expenses of entering into, closing out of, or re-setting derivative transactions, and the fees and expenses of the auditors, tax and legal advisers. The costs of printing and distributing reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of registering the Fund for sale in any jurisdiction, regulatory fees, listing fees (if any) the fees and expenses of any paying or information agents, or correspondent banks, the fees and expenses of any representative, distributor or agent appointed in respect of the Fund in any jurisdiction (which fees will be at normal commercial rates), the cost of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) will also be paid by the Fund.

Such fees, duties and charges will, unless otherwise specified in the relevant Supplement, be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Sub-Fund, the expense will be allocated by the Directors with the approval of the Depositary, 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 basis for yearly or other periods in advance and accrue the same in equal proportions over any period.
Soft Commissions

It is not currently intended that any soft commission arrangements will be made in respect of the Fund. In the event that the Investment Manager does enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Fund; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Sub-Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the next following report of the Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

Sub-Fund Transactions and Conflicts of Interest

Subject to the provisions of this section, the Directors, the Investment Manager, any investment manager appointed to a specific Sub-Fund, the Distributor, the Administrator, the Depositary, any Shareholder, and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a Connected Person), may contract or enter into any financial, banking or other transaction with one another or with the Fund, including without limitation, investment by the Fund in securities of a Shareholder or any Connected Person, or investment by any Connected Persons in any company or body any of whose investments form part of the assets comprised in any Sub-Fund or be interested in any such contract or transactions. In particular, without limitation, any Connected Person may invest in and deal with Shares relating to any Sub-Fund or any property of the kind included in the property of the Fund for their respective individual accounts or for the account of someone else. Where any conflict of interests arises between any Connected Person and the Fund, these conflicts shall be resolved fairly.

In addition, any cash of the Fund may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 1998 (as amended by the Central Bank and Financial Services Authority of Ireland Act 2003 to 2004), and the Regulations, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

A Connected Person, may each from time to time deal, as principal or agent, with the Fund, provided that such dealings are carried out as if negotiated at arm’s length and in the best interests of the Shareholders, and:

1. a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary or an affiliate of the Depositary, a person approved by the Directors) as independent and competent has been obtained; or

2. such transaction has been executed on best terms on an organised investment exchange under its rules; or

where neither of the above are practicable,

3. such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary or an affiliate of the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected at arm’s length and in the best interests of Shareholders.

The Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with (1), (2) or (3) above. Where transactions are conducted in accordance with (3), the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in this paragraph.

Notwithstanding the above, where the Investment Manager or any of its delegates successfully negotiates the recapture of a portion of commissions charged by a broker in relation to the purchase and/or sale of securities for
a Sub-Fund, such rebate must be paid into that Sub-Fund. The Investment Manager may be paid out of the assets of a Sub-Fund for fees charged by them and reasonable properly vouched costs and expenses directly incurred by them in this regard.

The Morgan Stanley group (Morgan Stanley) conducts extensive broker-dealer, banking and other activities around the world. These businesses will give Morgan Stanley broad access to the current status of certain markets, investments and funds and detailed knowledge about fund operators. As a result of the activities described above and the access and knowledge arising from those activities, parts of Morgan Stanley may be in possession of information in respect of markets, investments and funds, which, if known to the Investment Manager or any other investment manager appointed to a specific Sub-Fund, which may include other Morgan Stanley entities, might cause the Investment Manager or any other investment manager to seek to dispose of, retain or increase interests in investments held by the Fund or acquire certain positions on behalf of the Fund. Morgan Stanley will be under no duty to make any such information available to the Fund or personnel of the Investment Manager or any other investment manager making investment decisions on behalf of a Sub-Fund. In general, personnel of the Investment Manager or any other investment manager appointed to a specific Sub-Fund, making investment decisions will make decisions based solely upon information known by such decision makers without regard to information known by other Morgan Stanley personnel.

Morgan Stanley & Co. International plc ("MSI") has been appointed to the Fund to act as distributor of the Sub-Funds. MSI or any of its employees, agents, affiliates, subsidiaries (the "MSI Affiliates") may perform further or alternative roles relating to the Fund and any Sub-Fund, including for example (i) being the counterparty in respect of any investments of the Fund, (ii) being involved in arrangements relating to the relevant investments (for example as a derivative counterparty, or a calculation agent), (iii) being appointed as sub-custodian by the Depositary and the Fund (iv) acting as a market maker in respect of Shares, (v) being responsible for providing valuations which may form the basis of calculating the Net Asset Value per Share in respect of any Sub-Fund, (vi) sponsoring or otherwise being involved with a variety of structured products such as participating notes, options or swaps linked in whole or in part to the performance of one or more Sub-Funds, and/or (vii) providing investment management services to a Sub-Fund. MSI and MSI Affiliates may receive compensation for providing such services to the Fund at normal commercial rates.

To the extent permitted by applicable law, Morgan Stanley may act as broker, dealer, agent, lender or advisor or in other commercial capacities for the Fund. It is anticipated that the commissions, mark-ups, mark-downs, financial advisory fees, underwriting and placement fees, sales fees, financing and commitment fees, brokerage fees, other fees, compensation or profits, rates, terms and conditions charged by Morgan Stanley will be in its view commercially reasonable, although Morgan Stanley, including its sales personnel, will have an interest in obtaining fees and other amounts that are favourable to Morgan Stanley and such sales personnel. Morgan Stanley (and its personnel and other distributors) will be entitled to retain commissions, fees and other amounts that it receives in connection with its service to the Fund as broker, dealer, agent, lender, advisor or in other commercial capacities and no accounting to the Fund or its shareholders will be required, and no fees or other compensation payable by the Fund or its shareholder will be reduced by reason of receipt by Morgan Stanley of any such fees or other amounts.

When Morgan Stanley acts as broker, dealer, agent, lender or advisor or in other commercial capacities in relation to the Fund, Morgan Stanley may take commercial steps in its own interests, which may have an adverse effect on the Funds. In addition, products and services received by the Investment Manager or their affiliates from brokers in connection with brokerage services provided to the Fund and other funds or accounts managed by Morgan Stanley may disproportionately benefit other of such funds and accounts on the relative amounts of brokerage services provided to the Fund and such other funds and accounts.

The Directors may act as directors of other collective investment vehicles. Where any potential conflicts of interest arise between their duties to the Fund and to third parties, the Directors will endeavour to ensure that any such conflicts will not unfairly prejudice the Fund.

MSI, which acts as distributor of the Fund, is an affiliate of the Investment Manager and may also act as a counterparty to FDI transactions entered into by the Fund and as index sponsor in respect of certain financial indices the performance of which Sub-Funds may seek to track or replicate. Where MSI is index sponsor in
respect of a particular Index, this will be disclosed in the relevant Supplement.

To the extent permitted by applicable law, the Fund may enter into transactions and invest in futures, securities, currencies, swaps, options, forward contracts or other instruments in which Morgan Stanley acting as principal or on a proprietary basis for its customers, serves as the counterparty. The Fund will only consider engaging in such a transaction with Morgan Stanley or its affiliates to the extent permitted by law. Morgan Stanley will not be entitled to retain any fee sharing, commission rebates, retrosessions and hard commissions received by the Investment Manager or such other fees or amounts as may be specified in any notices or guidance notes issued by the Central Bank from time to time.

Where the counterparty is a member of the same group of companies as the Investment Manager there will be no arrangement fee payable by the Fund for entering into OTC FDI.

Counterparties, including those which are members of the same group of companies as the Investment Manager, shall not be deemed to be affected by notice of, or to be under any duty to disclose to the Fund, information which has come into its or its associates' possession as a result of the FDI. Neither the Investment Manager, any of the counterparties nor any of their associates shall be liable to account to the Fund for any profits or benefits made or derived by, or in connection with, any such transaction.

The party verifying the counterparties' prices will also be a member of the same group of companies as the Investment Manager, which is independent of the counterparties and has been appointed by the Fund and approved for that purpose by the Depositary.

Furthermore, MSI may, subject to the Regulations and the requirements of the Central Bank, be the sole counterparty to FDI transactions used in respect of any Sub-Fund. In some circumstances, particularly where MSI is also the index sponsor, it may not be possible for the Investment Manager to transact with any other counterparty on the basis that the Index methodology is proprietary and therefore the return associated with that Index may only be delivered by MSI. Measures are in place to ensure that there is adequate segregation of responsibilities and duties between the various divisions within MSI responsible for the various functions.

Where acting as index sponsor or in relation to a particular strategy which a Sub-Fund invests in, MSI may seek to offer the return of a particular Index or strategy to its clients in other forms, different or similar to the Fund.

### 26 Taxation

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.

The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.

#### 26.1 Taxation of the Fund

The Fund intends to conduct its affairs so that it is Irish tax resident. On the basis that the Fund is Irish tax resident, the Fund qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Fund will be obliged to account for Irish tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.
26.2 **Taxation of non-Irish shareholders**

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Fund will not deduct any Irish tax in respect of the Shareholder’s Shares once a declaration has been received by the Fund confirming the Shareholder’s non-resident status.

If this declaration is not received by the Fund, the Fund will deduct Irish tax in respect of the Shareholder’s Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Fund will also deduct Irish tax if the Fund has information which reasonably suggests that a Shareholder’s declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a Fund and holds the Shares through an Irish branch and in certain other limited circumstances. The Fund must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

26.3 **Taxation of exempt Irish shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("TCA, the Fund will not deduct Irish tax in respect of the Shareholder’s Shares once the Declaration set out in the Application Form has been received by the Fund confirming the Shareholder’s exempt status.

The categories listed in section 739D (6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA)
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).

14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.

15. Qualifying companies (within the meaning of section 110 TCA).

16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Fund without requiring the Fund to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Fund in respect of a Shareholder, the Fund will deduct Irish tax in respect of the Shareholder’s Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

26.4 Taxation of other Irish shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an ‘exempt’ Shareholder (see above), the Fund will deduct Irish tax on distributions, redemptions and transfers and, additionally, on ‘eighth anniversary’ events, as described below.

Distributions by the Fund

If the Fund pays a distribution to a non-exempt Irish resident Shareholder, the Fund will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and

2. 41% of the distribution, in all other cases.

The Fund will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

Redemptions and Transfers of shares

If the Fund redeems Shares held by a non-exempt Irish resident Shareholder, the Fund will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Fund will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Fund will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Fund may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

*Eighth Anniversary’ Events*

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Fund will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Fund will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Fund may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the Fund are held by non-exempt Irish resident Shareholders, the Fund may elect not to account for Irish tax on this deemed disposal. To claim this election, the Fund must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the Fund is electing to claim this exemption.

If the exemption is claimed by the Fund, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Fund on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

*Share exchanges*

Where a Shareholder exchanges Shares on arm’s length terms for other Shares in the Fund or for Shares in another Sub-Fund of the Fund and no payment is received by the Shareholder, the Fund will not deduct Irish tax in respect of the exchange.
Stamp duty

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the Fund, a charge to Irish stamp duty could potentially arise.

Gift and Inheritance tax

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

U.S. Foreign Account Tax Compliance Act (FATCA)

Ireland has an intergovernmental agreement with the United States of America (the “IGA”) in relation to FATCA, of a type commonly known as a ‘model 1’ agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Fund intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the Fund shall be required to register with the US Internal Revenue Service as a ‘reporting financial institution’ for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the Fund to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Fund should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the Fund if the Fund did not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the Fund as being a ‘non-participating financial institution’ for FATCA purposes.

OECD Common Reporting Standard

The automatic exchange of information regime known as the “Common Reporting Standard” developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Fund is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU member states and other jurisdictions which implement the OECD Common Reporting Standard.
The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

26.5 Meaning of terms

Meaning of ‘Residence’ for Companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or

2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a ‘relevant territory’), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

Meaning of ‘Residence’ for Individuals

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or

2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this ‘two year’ test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

Meaning of ‘Ordinary Residence’ for Individuals

The term ‘ordinary residence’ (as distinct from ‘residence’) relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2017 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2020.

Meaning of ‘Intermediary’

An ‘intermediary’ means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

27 Reports and Accounts

The Fund’s year end is 31 July in each year. The annual report and audited accounts of the Fund will be sent to Shareholders and the Central Bank within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Fund at which they are to be submitted for approval. The Fund will also send a semi-annual report and unaudited accounts to Shareholders and the Central Bank within two months after the end of each semi-annual period which will be 31 January in each year.

Such reports and accounts will contain a statement of the Net Asset Value of each Sub-Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

28 Transfer of Shares

Shares in each Sub-Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by it. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to a United States Person (except pursuant to an exemption available under the laws of the United States and with the approval of the Directors).

Registration of any transfer may be refused by the Directors if following the transfer either the transferor or the transferee would hold Shares having a value less than the Minimum Holding for the relevant Sub-Fund (if any) specified in the Supplement hereto.

If the transferor is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person the Fund may redeem and cancel a sufficient portion of the transferor's Shares as will enable the Fund to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

29 Notification of Prices

The latest Net Asset Value per Share will be available on Bloomberg and will be kept up to date. The ticker for each Index is described in the relevant Supplement.

Communications with Shareholders may be sent by electronic mail or by any other means of communication provided that the Shareholder has consented to such method of communication. Copies of any documents sent to Shareholders and details of the Net Asset Value per Share will be available for inspection at the office of the Administrator.

30 GENERAL INFORMATION

30.1 Incorporation and Share Capital

The Fund was incorporated and registered in Ireland as an investment company with variable capital on 28 April 2010 with registered number 483770.

At the date hereof the authorised share capital of the Fund is 2 subscriber shares (subscriber shares) of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares. There are no rights of pre-emption attaching to the Shares.
30.2 **Articles**

Clause 2 of the Articles provides that the sole object of the Fund is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

30.2.1 **Voting Rights.** On a show of hands at a general meeting or class meeting of the Fund, every Shareholder holding shares who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote for every share of which he is the holder.

30.2.2 **Winding up.** The Articles contain provisions to the following effect:

1. If the Fund shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Sub-Fund.

2. The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Sub-Fund attributable to each class of share shall be distributed to the holders of shares in the relevant class in the proportion that the number of shares held by each holder bears to the total number of shares relating to each such class of shares in issue as at the date of commencement to wind up and secondly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value of each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of shares in that class of shares held by them.

3. A Sub-Fund may be wound up pursuant to section 1407 of the Companies Act, and in such event the winding up provisions of the Articles shall apply mutatis mutandis in respect of that Sub-Fund.

4. If the Fund shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Act, divide among the holders of shares of any class or classes within a Sub-Fund in specie the whole or any part of the assets of the Fund relating to that Sub-Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the Shareholders of the Fund or the holders of different classes of shares in a Sub-Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Fund may be closed and the Fund dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may request the liquidator, instead of transferring the assets in specie to it, to dispose of them and to pay the net sales proceeds instead.

30.3 **Directors' Interests**

30.3.1 There are no service contracts in existence between the Fund and any of its Directors, nor are any such contracts proposed.

30.3.2 At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Fund and save as disclosed
below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Fund.

30.3.3 At the date of this Prospectus none of the Directors nor any Associated Person have any beneficial interest in the share capital of the Fund or any options in respect of such capital.

30.3.4 David Haydon is a managing director of the Distributor.

30.4 **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Fund and are or may be material:

30.4.1 the Investment Management Agreement dated 27 July 2010 between the Fund and the Investment Manager regarding each Sub-Fund, as may be amended from time to time. This Agreement provides that the appointment of the Investment Manager may be terminated by either party by not less than three months’ prior written notice. Either party may terminate this Agreement by notice in writing (in accordance with the procedure set out in the Agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The Agreement contains certain indemnities in favour of the Investment Manager (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, negligence or willful default in the performance or non-performance by the Investment Manager (or persons designated by it) of its duties or obligations under the Agreement.

30.4.2 the Depositary Agreement dated 24 May 2016 between the Fund and the Depositary (the “Depositary Agreement”), as may be amended from time to time. Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that: (i) the services are not delegated with the intention of avoiding the requirements of the Regulations; (ii) the Depositary can demonstrate that there is an objective reason for the delegation; and (iii) the Depositary has exercised all due skill, care and diligence in the selection and appointment of any third-party to whom it wants to delegate parts of the services, and keeps exercising all due skill, care and diligence in periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the Fund’s financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Appendix III. The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary; and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations.

30.4.3 the Administration Agreement dated 27 July 2010 between the Fund and the Administrator (the “Administration Agreement”), as may be amended from time to time. The Administration Agreement provides that the appointment of the Administrator shall continue until terminated by either party on not less than 90 days’ notice or earlier upon certain breaches or certain insolvency events of either party or in the event that the performance of the Agreement ceases to be lawful. In the absence of fraud, negligence or willful default, the Administrator will not be liable for any loss arising as a result of the performance or non-performance by the Administrator of its obligations and duties under the Administration Agreement. The Fund has agreed to indemnify the Administrator against losses suffered by the Administrator in the performance or non-performance of its duties and obligations under the Administration Agreement, except for losses arising out of the fraud, negligence or willful default of the Administrator.

30.4.4 the Distribution Agreement dated 27 July 2010 between the Fund and the Distributor (the “Distribution Agreement”), as may be amended from time to time. The Distribution Agreement provides that the
appointment of the Distributor as a distributor will continue unless and until terminated by either party giving to the other party not less than three months' prior written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. The Distribution Agreement contains certain indemnities in favour of the Distributor as distributor which are restricted to exclude matters arising by reason of the fraud, negligence or wilful default on the part of the Distributor, its servants or agents in the performance of its obligations and duties. The Distributor shall not be liable for the acts or omissions of any intermediary appointed under the terms of the Distribution Agreement, provided that the Distributor has acted with due skill, care and attention in the selection and ongoing appointment of the intermediary.

30.5 Miscellaneous

Save as disclosed under the heading Directors' Interests above, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Fund.

Save as may result from the entry by the Fund into the agreements listed under the heading Material Contracts above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Fund.

The Distributor may pay an amount of its fees to distributors or other intermediaries. Additionally, the Investment Manager may pay a portion of its fee to distributors, dealers or other entities that assist in the performance of its duties or provide services, directly or indirectly, to the Sub-Funds or their Shareholders and the Investment Manager and/or the Distributor and/or their respective affiliates may enter into private arrangements on a negotiated basis with a holder or prospective holder of Shares. The selection of holders or prospective holders of Shares with whom such private arrangements may be made and the terms on which the Distributor, Investment Manager or their affiliates, designees or placement agents may enter into such private arrangements are a matter for the relevant entity.

30.6 Documents for Inspection

Copies of the following documents may be inspected at the offices of the Administrator at its address as set out in this Prospectus, during usual business hours on weekdays, except Saturdays and public holidays:

(1) the Articles; and

(2) the Supplements.

Copies of the Articles (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.
APPENDIX I – DEFINITIONS

Administrator means Northern Trust International Fund Administration Services (Ireland) Limited or any other person for the time being duly appointed administrator of the Fund in succession to the said Northern Trust International Fund Administration Services (Ireland) Limited.

Application Form means the original form which must be submitted with the subscription form upon an initial application or exchange of Shares. It only needs to be submitted with subsequent applications if the investors’ details or circumstances have changed from when this form was originally submitted.

Articles means the Memorandum and Articles of Association of the Fund.

Associated Person a person is associated with a Director if, and only if, he or she is:

(a) that Director’s spouse, parent, brother, sister or child;
(b) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;
(c) a partner of that Director.

A company will be deemed to be connected with a Director if it is controlled by that Director.

Base Currency means in relation to any Sub-Fund such currency as is specified in the relevant Supplement.

Business Day means those days as are specified in the Supplement hereto (or in the relevant Supplement in the case of any subsequent Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank), for the relevant Sub-Fund or such other day(s) as the Directors may, with the approval of the Depositary, determine.

Central Bank means the Central Bank of Ireland or any successor authority.

Central Bank UCITS Regulations means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as may be amended from time to time and any guidance issued by the Central Bank thereunder.

Class or class means a class of Shares in a Sub-Fund of the Fund.

Collection Account means the umbrella cash subscription and redemption account opened in the name of the Fund into which all subscriptions into and redemptions and distributions due from the Sub-Funds will be paid.

Companies Act the Companies Act 2014 including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.

Connected Person means the persons defined as such in the section headed Sub-Fund Transactions and Conflicts of Interest.
Dealing Day means in relation to each class of Shares such day or days as is specified in the relevant Supplement or such other day(s) as the Directors may with the approval of the Depositary determine and notify in advance to Shareholders provided always that there shall be at least one Dealing Day per fortnight.

Dealing Deadline means in relation to applications for subscription, exchange or repurchase of Shares in a Sub-Fund, the dates and times specified in the Supplement for the relevant Sub-Fund.

Depositary means Northern Trust Fiduciary Services (Ireland) Limited or any other person for the time being duly appointed depositary of the Fund in succession to Northern Trust Fiduciary Services (Ireland) Limited.

Directors means the directors of the Fund.

Distributor means Morgan Stanley & Co. International plc or any other person or persons for the time being duly appointed distributor of the Fund or any of the Sub-Funds in succession, or in addition, to Morgan Stanley & Co. International plc in accordance with the requirements of the Central Bank.

Duties and Charges all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees, any transaction and safekeeping fees payable to the Depositary or its delegates or agents (which will be at normal commercial rates) and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Sub-Fund or the creation, issue or sale of Shares or the sale or purchase of investments by the relevant Sub-Fund or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of the relevant Sub-Fund;

EEA means the European Economic Area (Member States, Iceland, Norway, and Liechtenstein).

EEA Member State means a member state of the EEA.

EU means the European Union.

Foreign Person means a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Fund with the appropriate declaration under Schedule 2B TCA and in respect of whom the Fund is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect.

Fund means FundLogic Alternatives plc.

Group Companies companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.

Hedged Share Class means a Share class whose dealing currency is hedged against the Base Currency and/or other currencies in which the assets of the relevant Sub-Fund may be denominated.

Index means such index as specified in the Supplement for the relevant Sub-Fund.

Initial Issue Price means the price per Share at which Shares are initially offered in a Sub-Fund for such
period as is specified in the Supplement for the relevant Sub-Fund.

**Investment Manager** means the investment manager of each Sub-Fund, as disclosed in each Supplement.

**Irish Taxable Person** means any person other than a Foreign Person or an exempt Irish Shareholders, as described under “Taxation” above).

**Market** means any stock exchange or market which satisfies the Central Bank’s regulatory criteria and which is listed in Appendix II hereto in accordance with the requirements of the Central Bank.

**Member State** means a member state of the EU.

**Minimum Holding** means such number of Shares or Shares having such value (if any) as is specified in the Supplement for the relevant Sub-Fund.

**Minimum Initial Subscription** means such amount (excluding any initial charge) in the relevant currency which must be initially subscribed by each Shareholder for Shares of any class in a Sub-Fund as is specified for the relevant Sub-Fund in the Supplement hereto.

**Minimum Repurchase Amount** means such amount (excluding any repurchase charge) in the relevant currency which must be redeemed for Shares of any class in a Sub-Fund as is specified for the relevant Sub-Fund in the Supplement hereto.

**money market instruments** shall have the meaning prescribed in the Central Bank UCITS Regulations.

**Month** means calendar month.

**Net Asset Value or Net Asset Value per Share,** means in respect of the assets of a Sub-Fund or in respect of a Share of any class, the amount determined in accordance with the principles set out in this Prospectus under the heading **Issue and Repurchase Price/Calculation of Net Asset Value/Valuation of Assets** as the Net Asset Value of a Sub-Fund or the Net Asset Value per Share.

**OECD** means the Organisation for Economic Co-operation and Development.

**Prospectus** means the prospectus issued from time to time by the Fund as amended, supplemented, consolidated or otherwise modified from time to time in accordance with the requirements of the Central Bank.

**Reference Asset** means with respect to a Sub-Fund whose performance is linked to reference assets, the assets to which such Sub-Fund is linked as further described in the relevant Supplement.

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended and supplemented from time to time and includes any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Fund.

**Settlement Date** means in respect of receipt of monies for payment of subscription monies or dispatch of monies for the repurchase of Shares the dates specified in the Supplements for each Sub-Fund.
Shares means participating shares in the Fund and includes, where the context so permits or requires, the Shares in a Sub-Fund which may be divided into different classes;

Shareholders means holders of Shares, and each a Shareholder.

Sub-Funds means the Sub-Funds, details of which are set out in the Supplements hereto (and in the relevant Supplement in the case of any other Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank).

Sub-Investment Manager means a sub-investment manager or sub-investment managers appointed by the Investment Manager in accordance with the requirements of the Central Bank in respect of a Sub-Fund, and where applicable, as disclosed in the relevant Supplement.

Supplement means the Supplements to this Prospectus (each a Supplement) and any Supplement issued by the Fund in relation to the creation of new Sub-Funds and/or share classes.

TCA means the Irish Taxes Consolidation Act, 1997 as amended from time to time.

transferable securities shall have the meaning prescribed in the Regulations.

UCITS means an undertaking for collective investment in transferable securities pursuant to the UCITS Directive.


Unhedged Share Class means a class of Shares where, typically, Shares may be applied for and exchanged and dividends calculated and paid and repurchase proceeds paid in a currency other than the Base Currency of the relevant Sub-Fund on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency for the currency of the relevant Share class.

United Kingdom or UK means the United Kingdom of Great Britain and Northern Ireland.

United States or U.S. or US means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).

United States Person or U.S. Person has the meaning ascribed to it in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time.

Valuation Point means the point in time by reference to which the Net Asset Value of a Sub-Fund is calculated as is specified in the Supplement for the relevant Sub-Fund.

In this Prospectus references to Euro and € are references to the lawful currency of the European Economic and Monetary Union Member States from time to time, the current members being Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Portugal, Slovenia, Spain and Latvia, references to Sterling or £ are to the lawful currency of the United Kingdom and references to US$ or US Dollars are to the currency of the United States. All references to the foregoing currencies shall include any successor currency.
APPENDIX II - MARKETS

(i) Any stock exchange or market in any EU or EEA Member State or in any of the following countries: Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland and the United States of America.

(ii) Any of the following markets or exchanges:

Argentina
- Buenos Aires Stock Exchange
- Cordoba Stock Exchange
- La Plata Stock Exchange
- Mendoza Stock Exchange
- Rosario Stock Exchange

Bahrain
- Bahrain Stock Exchange

Bangladesh
- Chittagong Stock Exchange
- Dhaka Stock Exchange

Botswana
- Botswana Stock Exchange

Brazil
- Bahia-Sergipe-Alagoas Stock Exchange
- Bolsa de Valores de Sao Paulo
- Brasilia Stock Exchange
- Extremo Sul Porto Allegre Stock Exchange
- Minas Esperito Santo Stock Exchange
- Parana Curitiba Stock Exchange
- Pernambuco e Bahia Recife Stock Exchange
- Gauhati Stock Exchange
- Regional Fortaleza Stock Exchange
- Rio de Janeiro Stock Exchange
- Santos Stock Exchange
- Sao Paulo Stock Exchange

Channel Islands
- Channel Islands Stock Exchange

Chile
- Santiago Stock Exchange
- Valparaiso Stock Exchange

China
- Fujan Stock Exchange
- Hainan Stock Exchange
- Shanghai Securities Exchange
- Shenzhen Stock Exchange

Colombia
- Colombian Stock Exchange
- Bolsa de Bogota
- Bolsa de Valores de Columbia

Costa Rica
- Bolsa Nacional de Valores S.A.

Egypt
- Cairo and Alexandria Stock Exchange

Ghana
- Ghana Stock Exchange

India
- Bombay Stock Exchange
- Madras Stock Exchange
- Delhi Stock Exchange
- Ahmedabad Stock Exchange
- Bangalore Stock Exchange
- Cochin Stock Exchange

Indonesia
- Jakarta Stock Exchange
- Surabaya Stock Exchange
- Indonesia Stock Exchange

Israel
- Tel Aviv Stock Exchange (TASE)

Jordan
- Jordan Amman Stock Exchange

Kazakhstan
- Kazakhstan Stock Exchange

Kenya
- Nairobi Stock Exchange

Kuwait
- Kuwait Stock Exchange

Lebanon
- Beirut Stock Exchange

Malaysia
- Kuala Lumpur Stock Exchange
- Bumiputra Stock Exchange

Mexico
- Bolsa Mexicana de Valores

Morocco
- Casablanca Stock Exchange
<table>
<thead>
<tr>
<th>Country</th>
<th>Exchange Name</th>
<th>Country</th>
<th>Exchange Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namibia</td>
<td>Namibian Stock Exchange</td>
<td>Turkey</td>
<td>Istanbul Stock Exchange</td>
</tr>
<tr>
<td>Oman</td>
<td>Muscat Securities Market Oman Stock Exchange</td>
<td>Uruguay</td>
<td>Rospide Sociedad de Bolsa S.A.</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Karachi Stock Exchange Lahore Stock Exchange</td>
<td>Venezuela</td>
<td>Bolsa de Valores de Caracas</td>
</tr>
<tr>
<td>Peru</td>
<td>Lima Stock Exchange</td>
<td>Vietnam</td>
<td>Vietnam Stock Exchange</td>
</tr>
<tr>
<td>Philippines</td>
<td>Philippines Stock Exchange</td>
<td>Zambia</td>
<td>Lusaka Stock Exchange</td>
</tr>
<tr>
<td>Qatar</td>
<td>Doha Securities Market Qatar Stock Exchange</td>
<td>Russia</td>
<td>Moscow Exchange</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>The Tadwal Stock Exchange</td>
<td>Serbia</td>
<td>Belgrade Stock Exchange</td>
</tr>
<tr>
<td>Serbia</td>
<td>Belgrade Stock Exchange</td>
<td>Singapore</td>
<td>Singapore Stock Exchange SESDAQ</td>
</tr>
<tr>
<td>South Africa</td>
<td>Johannesburg Stock Exchange Bond Exchange of South Africa</td>
<td>South Korea</td>
<td>Korea Exchange, Inc. (KRX) KRX Stock Market Division (KRX KOSPI Market) KRX Futures Market Division (KRX Derivatives Market) KRX Korea Securities Dealers Association Automated Quotation (KOSDAQ) Division</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Colombo Stock Exchange</td>
<td>Taiwan</td>
<td>Taiwan Stock Exchange</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Taiwan Stock Exchange</td>
<td>Thailand</td>
<td>Thailand Stock Exchange</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>The Trinidad and Tobago Stock Exchange</td>
<td>Tunisia</td>
<td>Tunisia Stock Exchange</td>
</tr>
</tbody>
</table>
The following markets:

– the market organised by the International Capital Markets Association;

– the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA’s Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "The Grey Paper");

– (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

– (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan and (c) Market of the High-Growth and Emerging Stocks ("MOTHERS")

– the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;

– the Hong Kong Growth Enterprise Market ("GEM");

– TAISDAQ

– RASDAQ

– the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ)

– the Taiwan Innovative Growing Entrepreneurs Exchange ("TIGER")

– the Korean Securities Dealers Automated Quotation ("KOSDAQ")

– the French Market for Titres de Créances Négotiables (over the counter market in negotiable debt instruments)

– the over the counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada

– EASDAQ (European Association of Securities Dealers Automated Quotation)

In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is:

- located in an EEA Member State,

- located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States

- the Channel Islands Stock Exchange

- listed at (d) above or

- any of the following:

  - The Chicago Board of Trade;
  - The Chicago Mercantile Exchange;
  - The Chicago Board Options Exchange;
  - EDX London;
  - New York Mercantile Exchange;
  - New York Board of Trade;
  - New Zealand Futures and Options Exchange;
  - Hong Kong Futures Exchange;
  - Singapore Commodity Exchange;
  - Tokyo International Financial Futures Exchange;

These exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved exchanges and markets.
Appendix III - List of sub-custodial agents appointed by The Northern Trust Company

The Depositary’s global sub-custodial has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depositary will notify the Directors of the Fund of any such conflict should it so arise.

<table>
<thead>
<tr>
<th>Country</th>
<th>Subcustodian</th>
<th>Country</th>
<th>Subcustodian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Citibank, N.A. Buenos Aires Branch</td>
<td>Malaysia</td>
<td>HSBC Bank Malaysia Berhad</td>
</tr>
<tr>
<td>Australia</td>
<td>HSBC Bank Australia Limited</td>
<td>Mauritius</td>
<td>The Hongkong and Shanghai Banking Corporation Limited</td>
</tr>
<tr>
<td>Austria</td>
<td>UniCredit Bank Austria A.G</td>
<td>Mexico</td>
<td>Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex</td>
</tr>
<tr>
<td>Bahrain</td>
<td>HSBC Bank Middle East Limited</td>
<td>Morocco</td>
<td>Societe Generale Marocaine de Banques</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Standard Chartered Bank</td>
<td>Namibia</td>
<td>Standard Bank Namibia Ltd</td>
</tr>
<tr>
<td>Belgium</td>
<td>Deutsche Bank AG</td>
<td>Netherlands</td>
<td>Deutsche Bank AG</td>
</tr>
<tr>
<td>Bermuda</td>
<td>HSBC Bank Bermuda Limited</td>
<td>New Zealand</td>
<td>The Hongkong and Shanghai Banking Corporation Limited</td>
</tr>
<tr>
<td>Bosnia and Herzegovina -</td>
<td>Raiffeisen Bank Bosnia DD BiH</td>
<td>Nigeria</td>
<td>Stanbic IBTC Bank Plc</td>
</tr>
<tr>
<td>Federation of B &amp; H</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bosnia and Herzegovina -</td>
<td>Raiffeisen Bank Bosnia DD BiH</td>
<td>Norway</td>
<td>Nordea Bank AB (publ)</td>
</tr>
<tr>
<td>Republic of Srpska</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td>Standard Chartered Bank Botswana Limited</td>
<td>Oman</td>
<td>HSBC Bank Oman SAOG</td>
</tr>
<tr>
<td>Brazil</td>
<td>Citibank, N.A., Brazilian Branch</td>
<td>Pakistan</td>
<td>Citibank, N.A., Karachi Branch</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Citibank Europe plc</td>
<td>Panama</td>
<td>Citibank N.A., Panama Branch</td>
</tr>
<tr>
<td>CD’s USD****</td>
<td>Deutsche Bank AG, London Branch</td>
<td>Peru</td>
<td>Citibank del Peru S.A.</td>
</tr>
<tr>
<td>Canada</td>
<td>The Northern Trust Company, Canada</td>
<td>Phillipines</td>
<td>The Hongkong and Shanghai Banking Corporation Limited</td>
</tr>
<tr>
<td>Canada**</td>
<td>Royal Bank of Canada</td>
<td>Poland</td>
<td>Bank Polska Kasa Opliki SA</td>
</tr>
<tr>
<td>Chile</td>
<td>Banco de Chile</td>
<td>Portugal</td>
<td>BNP Paribas Securities Services</td>
</tr>
<tr>
<td>China A Shares</td>
<td>HSBC Bank (China) Company Limited</td>
<td>Qatar</td>
<td>HSBC Bank Middle East Limited</td>
</tr>
<tr>
<td>China B Shares</td>
<td>HSBC Bank (China) Company Limited</td>
<td>Romania</td>
<td>Citibank Europe plc</td>
</tr>
<tr>
<td>Colombia</td>
<td>Cititrust Colombia S.A. Sociedad Fiduciaria</td>
<td>Russian</td>
<td>AO Citibank</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Banco Nacional de Costa Rica</td>
<td>Saudi Arabia</td>
<td>HSBC Saudi Arabia Limited</td>
</tr>
<tr>
<td>Croatia</td>
<td>Zagrebacka Banka d.d.</td>
<td>Serbia</td>
<td>UniCredit Bank Serbia JSC</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Citibank Europe plc</td>
<td>Singapore</td>
<td>DBS Bank Ltd</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>UniCredit Bank Czech Republic and Slovakia, a.s.</td>
<td>Slovakia</td>
<td>Citibank Europe plc</td>
</tr>
<tr>
<td>Denmark</td>
<td>Nordea Bank AB (publ)</td>
<td>Slovenia</td>
<td>UniCredit Banka Slovenija d.d.</td>
</tr>
<tr>
<td></td>
<td>Country</td>
<td>Bank/Institution Name</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-------------</td>
<td>---------------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>25</td>
<td>Egypt</td>
<td>Citibank, N.A., Cairo Branch</td>
<td>72</td>
</tr>
<tr>
<td>26</td>
<td>Estonia</td>
<td>Swedbank AS</td>
<td>73</td>
</tr>
<tr>
<td>27</td>
<td>Finland</td>
<td>Nordea Bank AB (publ)</td>
<td>74</td>
</tr>
<tr>
<td>28</td>
<td>France</td>
<td>Deutsche Bank AG</td>
<td>75</td>
</tr>
<tr>
<td>29</td>
<td>Germany</td>
<td>Deutsche Bank AG</td>
<td>76</td>
</tr>
<tr>
<td>30</td>
<td>Ghana</td>
<td>Standard Chartered Bank Ghana Limited</td>
<td>77</td>
</tr>
<tr>
<td>31</td>
<td>Greece</td>
<td>Citibank Europe plc</td>
<td>78</td>
</tr>
<tr>
<td>32</td>
<td>Hong Kong</td>
<td>The Hongkong and Shanghai Banking Corporation Limited</td>
<td>79</td>
</tr>
<tr>
<td>33</td>
<td>Hong Kong (Stock Connect Shanghai / Shenzhen)</td>
<td>The Hongkong and Shanghai Banking Corporation Limited</td>
<td>80</td>
</tr>
<tr>
<td>34</td>
<td>Hungary</td>
<td>UniCredit Bank Hungary Zrt</td>
<td>81</td>
</tr>
<tr>
<td>35</td>
<td>India</td>
<td>Citibank, N.A.</td>
<td>82</td>
</tr>
<tr>
<td>36</td>
<td>Indonesia</td>
<td>Standard Chartered Bank</td>
<td>83</td>
</tr>
<tr>
<td>37</td>
<td>Ireland</td>
<td>Euroclear UK and Ireland Limited (Northern Trust self-custody)</td>
<td>84</td>
</tr>
<tr>
<td>38</td>
<td>Israel</td>
<td>Bank Leumi Le-Israel B.M.</td>
<td>85</td>
</tr>
<tr>
<td>39</td>
<td>Italy</td>
<td>Deutsche Bank SpA</td>
<td>86</td>
</tr>
<tr>
<td>40</td>
<td>Japan</td>
<td>The Hongkong and Shanghai Banking Corporation Limited</td>
<td>87</td>
</tr>
<tr>
<td>41</td>
<td>Jordan</td>
<td>Standard Chartered Bank</td>
<td>88</td>
</tr>
<tr>
<td>42</td>
<td>Kazakhstan</td>
<td>Citibank Kazakhstan JSC</td>
<td>89</td>
</tr>
<tr>
<td>43</td>
<td>Kenya</td>
<td>Standard Chartered Bank Kenya Limited</td>
<td>90</td>
</tr>
<tr>
<td>44</td>
<td>Kuwait</td>
<td>HSBC Bank Middle East Limited</td>
<td>91</td>
</tr>
<tr>
<td>45</td>
<td>Latvia</td>
<td>Swedbank AS</td>
<td>92</td>
</tr>
<tr>
<td>46</td>
<td>Lithuania</td>
<td>AB SEB Bankas</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Luxembourg***</td>
<td>Euroclear Bank S.A./N.V.</td>
<td></td>
</tr>
</tbody>
</table>

* Market Suspended
** The Royal Bank of Canada serves as Northern Trust’s subcustodian for securities not eligible for settlement in Canada’s local central
*** Euroclear is classified as an International Central Securities Depository (ICSD), not a subcustodian relationship
**** Deutsche Bank AG operates as a Central Securities Depository for US$ CD’s and is not classified as a subcustodian
ANNEX IV – ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND

1. Representative and Paying Agent in Switzerland

BNP PARIBAS Securities Services, Paris, succursale de Zurich, Selnastrasse 16, 8002 Zurich, Switzerland, is the representative and paying agent of the Fund in Switzerland (in the following “Representative in Switzerland”).

2. Place where the relevant documents may be obtained

The prospectus and the key investor information documents for Switzerland, the Articles as well as the annual and semi-annual reports of the Fund may be obtained free of charge from the Representative in Switzerland.

3. Publications

Publications in Switzerland concerning the Fund and its Sub-funds, in particular concerning changes to the Articles or the Prospectus, will be made on www.fundinfo.com.

The Net Asset Value of the Shares of each Sub-fund, together with an indication “commissions excluded”, will be published daily on www.fundinfo.com.

4. Retrocessions and Rebates

4.1 Retrocessions

The Promoter and Distributor and its agents may pay retrocessions as remuneration for distribution activity in respect of Shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- Setting up processes for subscribing, holding and safe custody of the Shares;
- Keeping a supply of marketing and legal documents, and issuing the said;
- Forwarding or providing access to legally required publications and other publications;
- Performing due diligence delegated by the Promoter and Distributor in areas such as money laundering, ascertaining client needs and distribution restrictions;
- Mandating an authorized auditor to check compliance with certain duties of the Distributor, in particular with the Guidelines on the Distribution of Collective Investment Schemes issued by the Swiss Funds & Asset Management Association SFAMA;
- Operating and maintaining an electronic distribution and/or information platform;
- Clarifying and answering specific questions from Investors pertaining to the investment product or the Promoter and Distributor;
- Drawing up fund research material;
- Central relationship management;
- Subscribing Shares as a “nominee” for several clients as mandated by the Promoter and Distributor;
- Training client advisors in collective investment schemes; and
- Mandating and monitoring additional distributors;

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

The recipients of the retrocessions must ensure transparent disclosure and inform Investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the Investors concerned.

4.2 Rebates
In the case of distribution activity in or from Switzerland, the Promoter and Distributor and its agents may, upon request, pay rebates directly to Investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Promoter and Distributor and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all Investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Promoter and Distributor are as follows:

- the volume subscribed by the Investor or the total volume the Investor holds in the collective investment scheme or, where applicable, in the product range of the Promoter and Distributor;
- the amount of the fees generated by the Investor;
- the investment behaviour shown by the Investor (e.g. expected investment period);
- the Investor’s willingness to provide support in the launch phase of a collective investment scheme.

At the request of the Investor, the Promoter and Distributor must disclose the amounts of such rebates free of charge.

5. **Place of performance and jurisdiction**

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland.
This Supplement contains specific information in relation to the MS PSAM Global Event UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by P. SCHOENFELD Asset Management LP (“PSAM” or the “Investment Manager”), and will follow an event-driven strategy as described below.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
1. INVESTMENT OBJECTIVE AND POLICIES

1.1. Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with a return linked to the performance of a reference portfolio (the “Reference Portfolio”), described in more detail under the heading Description of the Reference Portfolio below.

1.2. Investment Policy

The Sub-Fund may seek to achieve its objective by: (i) entering into one or more total return swaps; or (ii) direct investment in equity, debt and other securities. Further detail in respect of (i) and (ii) is set out below.

1.2.1 Description of the Reference Portfolio

This is a summary of the Reference Portfolio. There is no assurance that the Reference Portfolio’s objective will be achieved.

The Reference Portfolio is a notional portfolio representative of an actual portfolio of investments which would be made by the Investment Manager in implementing its global event-driven investment strategy (the “PSAM Investment Strategy”). The PSAM Investment Strategy is proprietary to the Investment Manager. The objective of the PSAM Investment Strategy is to seek superior risk adjusted returns associated with exposure to the equity, debt and other securities (including, without limitation, convertible or preferred stock and bonds) of companies which, in the opinion of the Investment Manager, are mispriced relative to their inherent or embedded value. The Investment Manager will also gain exposure to such securities through the use of financial derivative instruments (“FDIs”) in relation to such securities. The FDI which the Investment Manager will utilise to gain such exposure are set out under Direct Investments below. The Investment Manager further believes that the mispricings are generally attributable to a corporate action or corporate event including, but not limited to the following activities (collectively, the “Event Activities”):

Merger Activities (collectively “Merger Activities”) typically refer to corporate reorganisations and business combinations including: mergers, exchange offers, cash tender offers, spin-offs, leveraged buy-outs, management buy-outs, divestitures, tender offers, rights offerings and privatisations. Merger Activities are primarily implemented through equity and equity linked securities (including, without limitation, convertible bonds, preferred securities and warrants), equity derivatives and options. The investments may involve the purchase or sale of bonds of one of the companies involved in the Merger Activity, where there is a likelihood that the bond will be repurchased, receive a tender offer or a credit upgrade upon the consummation of the transaction.

Credit Activities (collectively “Credit Activities”) are primarily implemented through the purchase or sale of corporate bonds, mezzanine securities (which are debt linked instruments that are typically subordinated to straight debt and whose return has an interest component (either paid currently or deferred) and that may, or may not, have a equity linked warrant attached) or convertible securities of companies undergoing a financial reorganization or distress. These investments may include bankruptcies, exchange offers, out of court restructurings, liquidations, recapitalizations and cash tender offers. The Credit Activity may also involve the purchase or holding of post-reorganization equities which are issued as a result of a debt-for-equity conversion or equity securities issued as a result of a public offering by a company seeking to complete a reorganization or deleveraging transaction.

Special Situation Activities (collectively “Special Situations Activities”) are generally implemented through the purchase of equity, equity linked securities (including, without limitation, convertible bonds, preferred securities and warrants), equity derivatives and options. All investments will include catalyst driven situations where there has been some form of public disclosure impacting the value of a company's assets or liabilities. The impact of the catalyst may be difficult to quantify from a value and timing perspective and the outcome may be uncertain. These situations may involve litigation, legislation or regulatory change, proxy fights and holding company reorganisations.
Over the course of a calendar year, the majority of the Reference Portfolio's Event Activities could be in international Event Activity situations which may be conducted in non-United States securities markets and may relate to securities issued by non-United States corporations or other business entities ("International Event Activities"). The Reference Portfolio will also be exposed to Event Activities involving only U.S. companies. For the purposes of this Supplement, International Event Activities include purely international transactions (both sides of the transaction are non-US entities) as well as cross-border transactions in which a U.S.-based company may be a participant.

1.2.2 PSAM Investment Process

PSAM takes investment decisions based on a combination of internally generated research coupled with research obtained from outside sources.

Generally, when an Event Activity is announced or otherwise publicly disclosed by a company, PSAM will analyze the proposed Event Activity and determine how it will impact the company and its securities and obligations. Central to the analysis is determining the fundamental value of the company, its assets and financial prospects. Whether the Event Activity is a business combination, bankruptcy, spinoff or some other transaction, PSAM has to determine how the value of the company's securities will change, or relate to, their fundamental, or intrinsic, value. Secondly, PSAM must assess the likelihood that the transaction will be consummated, or in the case of a bankruptcy, how long the reorganization process is likely to take and whether there is adequate information to assess the company's survival. The financial and legal aspects of the situation (including the adequacy of the consideration offered, the likelihood that the consideration will be increased by the offeror or a third party, the issues that may be raised under corporate, securities and anti-trust laws and by regulatory agencies, and the accounting and tax implications) will be evaluated.

In credit situations, a fundamental business analysis is conducted including comparisons to the company's competitors, along with extensive review of the company's bank agreements, debt indentures, corporate organization, advisors, legal counsel and domicile. PSAM will determine whether the profit that may be realised in the prospective transaction will adequately compensate for the perceived risks. PSAM derives profits by realizing the price differential between the market price of the securities of a company when it buys them subsequent to the announcement or other public disclosure of a prospective transaction and the value ultimately realised from the disposition of those securities.

1.2.3 Other Activities forming part of the PSAM Investment Process

In addition to buying and selling securities involved in an Event Activity, PSAM considers other investment techniques that may be employed to maximize profits and hedge against losses. Those techniques include the use of leverage (subject to limitations to comply with relevant regulations), options trading, derivatives, swaps, contracts for differences, indices and options thereon, trading in securities convertible into or exchangeable for the securities involved in the reorganization and investing in financial instruments that PSAM deems to be a prudent investment strategy toward maximizing returns. The PSAM Investment Strategy may also engage in capital structure arbitrage, whereby PSAM values the classes of securities of a company, country or a political subdivision thereof and arbitrages between those classes of securities that PSAM believes the market to have overvalued or undervalued with respect to one another.

As stated above, the Sub-Fund may seek to achieve its objective by (i) entering into one or more total return swaps or (ii) direct investment in equity, debt and other securities, as separately described below.

(i) Total Return Swap

The Sub-Fund will initially seek to achieve its objective principally through entering into one or more total return swaps (the "Swaps").

The net effect of the Swap will be to provide the Sub-Fund with the economic performance of the Reference Portfolio in exchange for the Sub-Fund transferring its economic interest in the Funding Assets (as defined below) to the Approved Counterparty. It is not accordingly
anticipated that the Sub-Fund will be exposed to the performance or risks of the Funding Assets other than in the event of a default by an Approved Counterparty under the terms of a Swap.

The securities referred to in this paragraph are referred to collectively as “Funding Assets”. Funding Assets will include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (ADRs traded in the United States markets and GDRs traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Portfolio. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below “investment grade” by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager.

Funding Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swap will not be so listed or traded as it is a permitted unlisted investment.

The Approved Counterparty may provide collateral to the Sub-Fund so that the Sub-Fund's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank. Collateral will be in the form required by the Central Bank.

Where the Sub-Fund enters into the Swaps, the Sub-Fund may also enter into FDI transactions, such as forward currency exchange contracts for efficient portfolio management purposes. Such FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information on respect of forward currency exchange contracts please see the section entitled Information on the Financial Derivative Instruments below.

(ii) Direct Investment

The Investment Manager may determine to seek the objective of the Sub-Fund through direct investment in the securities and instruments described in detail under the heading Description of the Reference Portfolio at 1.2.1 above where it believes that this is in the best interests of the Sub-Fund and the Shareholders as a whole.

In addition to direct investment in securities, the Sub-Fund expects to enter into FDI transactions to gain exposure to the securities referred in Description of the Reference Asset above, subject to the requirements laid down by the Central Bank. These FDI transactions may include swaps, options, futures and options on futures, forward currency exchange contracts and “when issued” securities. The Sub-Fund may invest in FDI transactions both for investment and efficient portfolio management purposes. For example: (i) equity swaps may be utilised for efficient cash management to minimise taxes on the purchase or sale of equities and interest rate swaps may be utilised to hedge the interest rate risk in the portfolio; (ii) credit default swaps may be purchased or sold to: (a) hedge the default risk to a specific issuer or to offset adverse price and/or interest rate movements; or (b) gain exposure to expected credit upgrades or downgrades resulting from merger events; (iii) single name options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer; (iv) index futures on broad based indices may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market; and (v) options on futures may be utilised to quantify the potential loss from a contract expiring in a loss position. In addition, for example, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information on the types of FDIs that the Sub-Fund may enter into please see the section entitled Information on the Financial Derivative Instruments below.

General

The Sub-Fund will be leveraged through the use of FDIs. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a confidence interval of 99% and a holding period of one month. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 200% and 250% of the Net Asset Value of the Sub-Fund. In addition, the
leverage of the Sub-Fund as measured using the commitment approach is expected to be between 120% and 200% of Net Asset Value of the Sub-Fund.

The “long” exposure of the Reference Portfolio is expected to be within a range of 90% to 175% of the net assets and the “short” exposure is expected to be within a range of 15% to 90% of net assets.

The Sub-Fund may invest in ancillary liquid assets which may include bank deposits, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes.

FundLogic SAS will be appointed as a delegate of the Investment Manager (the “Sub-Investment Manager”) for the purpose of managing certain of the assets of the Sub-Fund.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>200%</td>
<td>250%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

*The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the Reference Portfolio.*

The sole Approved Counterparty in respect of the Swaps will be Morgan Stanley & Co. International plc or any of its affiliates or subsidiaries that is a UCITS eligible counterparty (the “Approved Counterparty” or “Morgan Stanley”).

**Profile of a Typical Investor**

Investment in the Sub-Fund is suitable for investors seeking a long-term appreciation of capital. Shares in the Sub-Fund will be available to both retail and institutional investors.

2. **INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO**

The general investment restrictions as set out in the Prospectus shall apply. In addition, the Investment Manager will apply the following restrictions in respect of the Reference Portfolio:

- Fixed income and fixed income related investments below investment grade will not in the aggregate constitute more than 25% of the Net Asset Value (a security will be considered below investment grade if it is rated as such by one U.S. nationally recognized statistical rating organization);

- Investment grade fixed income and fixed income related investments that are related to issuers involved in a merger transaction will not constitute more than 10% of the Net Asset Value;

- Fixed income and fixed income related investments will not in the aggregate exceed 25% of Net Asset Value;

- Fixed income investments will not include participations or other exposure to secured credit facilities;
• The maximum size of the investments in fixed income securities of any one issuer will be 5% of Net Asset Value;

• The Reference Portfolio will have investments in the securities of at least 40 unique corporate, intra-governmental or sovereign issuers; and

• Investments in securities of companies located in non-OECD member or partner countries will not exceed 10% of the Net Asset Value.

The Investment Manager will attempt to manage the Reference Portfolio without exposing it to currency exposure as against the Euro, other than the currency exposure related to profits or losses on investments.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include credit default swaps, interest rate swaps, total return swaps, swaptions and currency swaps. The Sub-Fund may be either the buyer or seller in a credit default swap transaction. The “buyer” in a credit default 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 obligation has occurred. As a seller, the Sub-Fund receives a fixed rate of income throughout the term of the contract. An interest rate swap involves the exchange by the Sub-Fund with another party of their respective commitments to pay or receive cash flows. A total return swap is a bilateral financial contract, which allows the Sub-Fund to enjoy all of the cash flow benefits of an asset without actually owning this asset. A swaption is an option granting its owner the right but not the obligation to enter into an underlying swap. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency.

Options. The Sub-Fund may also enter into options traded over-the-counter (or OTC options). Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

4. INVESTMENT MANAGER AND SUB-INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is P. Schoenfeld Asset Management LP. The Investment Manager is a Delaware limited partnership with its registered office at 615 South DuPont Highway, Dover, Delaware 19907, USA.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Fund and the Investment Manager dated 11 August 2010 (the “Agreement”), as amended and as may be further amended.

Subject to controls imposed by the Directors under the Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-
day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Investment Manager is a registered investment advisor with the U.S. Securities and Exchange Commission. As at 30 April 2017, the Investment Manager had approximately US$ 2 billion assets under management.

The Investment Manager has appointed the Sub-Investment Manager to manage certain of the assets of the Sub-Fund. For further information on the Sub-Investment Manager, Shareholders should read the section of the Prospectus entitled Investment Manager.

For the purposes of the Sub-Fund, the Sub-Investment Manager acts as in the capacity of sub-investment manager only under the terms of a sub-investment management agreement between the Investment Manager and the Sub-Investment Manager. The Sub-Investment Manager will not charge any fees or expenses to the assets of the Sub-Fund.

5. BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund may be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a confidence interval of 99% and a holding period of one month. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 200% and 250% of the Net Asset Value of the Sub-Fund. In addition, the leverage of the Sub-Fund as measured using the commitment approach is expected to be between 120% and 200% of Net Asset Value of the Sub-Fund.

6. RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply. Note that because the Sub-Fund’s principal exposure to the Investment Manager’s strategies may be through the Swap, the risk factors described therein and herein also extend to the Sub-Fund’s exposure to the Reference Portfolio through the Swap.

The following additional risk factors also apply:

6.1. Currency Risk

The Base Currency of the Sub-Fund is Euro. Shareholders may subscribe in US Dollars, Pounds Sterling and Swedish Kroner (“SEK”) into the USD, GBP or SEK denominated Share Classes respectively.

The GBP denominated Share Classes, the USD denominated Share classes and the SEK denominated Share Classes are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share Classes.

6.2. The Investment Manager’s Other Funds and Accounts

The Investment Manager advises a number of other funds and accounts with investment objectives similar to that of the Sub-Fund. Those other funds and accounts do not operate under the constraints of the UCITS regime, however, and certain of the investments made by those other funds and accounts will not be available to the Sub-Fund. As a result, the performance of the Sub-Fund is expected to differ, possibly materially, from the performance of those other funds and accounts, and potential investors should not consider the performance of those other funds and accounts as relevant to an investment in the Sub-Fund.

6.4 Dependence on Peter M. Schoenfeld

The Sub-Fund is particularly dependent on the investment ability of Mr. Peter M. Schoenfeld, Chairman and Chief Executive Officer of the Investment Manager. The business prospects of the Sub-Fund might
be adversely affected, therefore, in the event of the death or incapacity of Mr. Schoenfeld, or his withdrawal from supervising the Event Activities if a suitable replacement could not be found.

### 6.5 Incentive Fee to the Investment Manager

The Investment Manager is entitled to receive an incentive fee as described herein based on the performance of the Sub-Fund. The incentive fee may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, because the incentive fees are calculated on a basis which includes unrealised appreciation of the Sub-Fund’s assets, it may be greater than if such compensation were based solely on realised gains.

### 6.6 Costs Related to Investing in the Sub-Fund

Investors will bear significant expenses related to the establishment and operation of the Sub-Fund, including expenses related to the investment activities of the Investment Manager in its operation of the Reference Portfolio. These expenses may be higher than the fees and expenses of comparable investment vehicles and could have a material adverse effect on the value of any investment in the Sub-Fund.

Morgan Stanley may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by the Morgan Stanley in implementing its hedging strategy (including costs and fees of the Investment Manager in relation thereto) paid or reimbursed by Morgan Stanley will ultimately be borne by the Sub-Fund as costs under the terms of the Swap.

### 6.7 Selection of Brokers

The Investment Manager may be subject to conflicts of interest relating to its selection of brokers on behalf of the Sub-Fund. Portfolio transactions for the Sub-Fund will be allocated to brokers on the basis of, among other things, best execution and therefore in consideration of a broker’s ability to effect the transactions, its facilities, reliability and financial responsibility, as well as the provision or payment by the broker of the costs of research and research-related services. The Investment Manager may enter into soft dollar arrangements in respect of the Reference Portfolio, and may enter into such arrangements with respect to the Sub-Fund. A recapture of a portion of commissions charged by a broker in relation to the purchase or sale of securities of the Sub-Fund will be paid into the Sub-Fund, the recapture of a portion of commissions charged by a broker in relation to the Investment Manager’s other funds and accounts may be shared on an equitable basis among the Investment Manager’s other funds and accounts. The arrangements will assist in the provision of investment services to the Sub-Fund and may include, without limitation, capital introductions, marketing assistance, consulting with respect to technology, operations or equipment and other services or items. Such services and items may influence the Investment Manager’s selection of brokers.

In addition, the Investment Manager has committed to utilize affiliates of the Fund for a significant portion of the services related to its investment activities. Such commitment may affect the quality and expense of those services, given the absence of a competitive market for such services.

### 6.8 Limited Diversification

Although the Investment Manager will seek to create a diversified portfolio of investments and is required by the Regulations to do so, even acting in compliance with the Regulations, the Sub-Fund’s portfolio could become significantly concentrated, for example, in any one issuer, industry, sector, country or geographic region. Such concentration may increase any losses suffered by the Sub-Fund. In addition, it is possible that the Investment Manager may select investments that are concentrated in a limited number or type of financial instruments. This limited diversification could expose the Sub-Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

### 6.9 Event-Oriented Trading and Special Situation Investments

The Investment Manager expects the Sub-Fund to engage in event-oriented trading and special situation investments, which often include the purchase of a company’s securities after the company’s announcement of a significant event. The price offered for securities of a company involved in an announced deal generally represents a significant premium above the market price prior to the
announced. Therefore, the value of such securities held by the Sub-Fund will decline in the event the proposed transaction is not consummated and if the market price of the securities returns to a level comparable to the price prior to the announcement of the deal. Furthermore, the difference between the price paid by the Sub-Fund for securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of the securities will usually be adversely affected, perhaps by more than the Sub-Fund’s anticipated profit. In addition, when the Sub-Fund has taken short exposure to the securities it anticipates receiving in an exchange or merger, and the proposed transaction is not consummated, the Sub-Fund may be forced to cover such short exposure in the market at a higher price than its original exposure, with a resulting loss. If the Sub-Fund has a short exposure to securities that are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, the Sub-Fund may also be forced to cover such short exposure at a loss.

Where the Sub-Fund has purchased put options with respect to the securities it anticipates receiving in an exchange or merger, if the proposed transaction is not consummated, the exercise price of the put options held by the Sub-Fund may be lower than the market price of the underlying securities, with the result that the cost of the options will not be recovered. If the Sub-Fund has purchased put options with respect to securities that are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, the Sub-Fund also may not exercise its options and may lose the premiums paid therefore. Since options expire on defined dates, in the event consummation of a transaction is delayed beyond the expiration of a put option held by the Sub-Fund, it may lose the anticipated benefit of the option.

The Sub-Fund may determine that the offer price for a security which is the subject of a tender offer is likely to be increased, either by the original bidder or by another party. In those circumstances, the Fund may purchase securities above the offer price, and such purchases are subject to the additional risk that the offer price will not be increased or that the offer will be withdrawn.

The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a regulatory agency; (iii) efforts by the target company to pursue a “defensive” strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable securities laws; and (vi) inability to obtain adequate financing.

Often a tender or exchange offer will be made for less than all of the outstanding securities of an issuer or a higher price will be offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted pro rata. Thus, a portion of the securities tendered by the Sub-Fund may not be accepted and may be returned to the Sub-Fund. After completion of the tender offer, the market price of the securities may have declined below the Sub-Fund’s cost, and a sale of any returned securities may result in a loss.

The Sub-Fund may invest and trade in securities of companies that it believes are undervalued because, although such companies are not the subject of an announced tender offer, merger or acquisition transaction, in the Investment Manager’s view such companies are likely candidates for such a transaction. In such a case, if the anticipated transaction does not in fact occur, the Sub-Fund may sell the securities at a loss.

6.10 Investments in Distressed Securities

The Sub-Fund invests in “below investment grade” securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also offer the potential for correspondingly high returns. Some of these companies may not have publicly traded or registered equity securities, and therefore it may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be limited liquidity in markets for these securities. Such investments may also be affected adversely by laws related to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered
speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Sub-Fund’s investment in any instrument, and a significant portion of the Sub-Fund’s investments may be less than investment grade. Any one or all of the issuers of the securities in which the Sub-Fund may invest may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high. In any reorganization or liquidation proceeding relating to a company in which the Sub-Fund invests, the Sub-Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Sub-Fund’s original investment, may be required to accept securities that are not UCITS-eligible assets and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Sub-Fund’s investments may not compensate the Sub-Fund adequately for the risks assumed.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Sub-Fund of the security in respect to which such distribution was made.

In certain transactions, the Sub-Fund may not be “hedged” against market fluctuations, or in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

Troubled companies and other asset-based investments also require active monitoring and may, at times, require participation in the business strategy or reorganization proceedings by the Investment Manager. To the extent that the Investment Manager becomes involved in such proceedings, the Sub-Fund may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Sub-Fund in an issuer’s reorganization proceedings could result in the imposition of restrictions limiting the Sub-Fund’s ability to liquidate its position in the issuer.

6.11 Risks Associated with Bankruptcy Cases

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of the Sub-Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Sub-Fund; it is subject to unpredictable and lengthy delays; and during the process the company’s competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. Although the Sub-Fund will invest primarily in debt, the debt of companies in financial reorganizations will in most cases not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer’s fundamental values. Such investments can result in a total loss of principal.

Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

U.S. bankruptcy law permits the classification of “substantially similar” claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there is a risk that the Sub-Fund’s influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or
other gerrymandering of, the class. In addition, certain administrator costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

The administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor’s estate prior to any return to creditors (other than out of assets or proceeds thereof which are subject to valid and enforceable liens and other security interests) and equity holders. In addition, certain claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

The Investment Manager, on behalf of the Sub-Fund and the Investment Manager’s other funds and accounts, may elect to serve, directly or through an affiliate, on creditors’ committees, equity holders’ committees or other groups to ensure preservation or enhancement of the Sub-Fund’s position as a creditor or equity holder. In addition, a portion of the Sub-Fund’s assets will be invested in securities and loans with limited liquidity. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Investment Manager concludes that its obligations owed to the other parties as a committee or group member materially conflict with its duties owed to the Sub-Fund, it may resign from that committee or group, and the Sub-Fund may not realize the benefits, if any, of its participation on the committee or group. In addition, and as discussed above, the Sub-Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in such company while it continues to be represented on such committee or group.

The Sub-Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the recission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

6.12 Equitable Subordination

Under common law principles that in some cases form the basis for lender liability claims, if a lender: (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). The Sub-Fund does not intend to engage in conduct that could form the basis for a successful cause of action based on the equitable subordination doctrine; however, because of the nature of the debt obligations, the Sub-Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

6.13 Hedging Transactions

The Investment Manager is not required to attempt to hedge portfolio positions in the Sub-Fund, and for various reasons may determine not to do so. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. The Sub-Fund may utilize financial instruments in order to: (i) protect against possible changes in the market value of the Sub-Fund’s investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Sub-Fund’s unrealised gains in the value of the Sub-Fund’s investment portfolio; (iii) facilitate the sale of any investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Sub-Fund’s portfolio; (v) hedge the interest rate or currency exchange rate on any of the Sub-Funds liabilities or assets; (vi) protect against any increase in the price of any securities the Sub-Fund anticipates purchasing at a later date; or (vii) for any other reason the Investment Manager deems appropriate.

The success of the Sub-Fund’s hedging strategy is subject to the Investment Manager’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or as time passes, the success of the Sub-Fund’s hedging strategy is also subject to the Investment Manager’s ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Sub-Fund may enter into hedging transaction to seek to reduce risk, such transactions may result in a poorer overall
performance for the Sub-Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Sub-Fund from achieving the intended hedge or expose the Sub-Fund risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Sub-Fund’s portfolio holdings.

6.14 Short Selling

The Sub-Fund is prohibited from directly engaging in short sales of securities and may only do so through the use of FDIs. The Reference Portfolio is not so prohibited (and are expected to engage in short sales, either directly or by use of FDIs), thus the Sub-Fund will have exposure to short selling strategies undertaken by the Investment Manager. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows an investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the cost of borrowing the securities. The extent to which the Sub-Fund gains exposure to short selling depends on the Investment Manager’s perception of opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Sub-Fund of eliminating exposure to such short exposure. In addition, there can be no assurance that the Reference Portfolio will be able to maintain the ability to borrow securities sold short. In such cases, the Reference Portfolio can be “bought in” (forced to repurchase in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

A number of jurisdictions have imposed disclosure requirements with respect to and/or outright bans on short selling, and other jurisdictions may in the future impose similar requirements. These requirements may adversely affect the ability of the Sub-Fund to gain short exposure to certain securities.

6.15 Performance Fee – No Equalisation – Class C, Class P and Class R Shares

The methodology used in calculating the performance fees in respect of the Class C, Class P and Class R Shares (as defined herein) may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the performance fee calculation).

7. CONFLICTS OF INTEREST

The Sub-Fund will be subject to a number of actual and potential conflicts of interest involving the Investment Manager and its affiliates. However, the Investment Manager and its affiliates have substantial incentives to see the assets of the Sub-Fund appreciate in value, and merely because an actual or potential conflict of interest exists, does not mean that it will be acted upon to the detriment of the Sub-Fund.

The Investment Manager or its affiliates also provides investment advisory services to other accounts and funds that follow investment programs similar or dissimilar to that of the Sub-Fund in which the Sub-Fund will have no interest (“Other PSAM Accounts”). The Investment Manager and its affiliates will undertake to provide investment management services to Other PSAM Accounts in a manner that is consistent with its duties to the Sub-Fund. Other PSAM Accounts may co-invest with the Fund on a parallel basis in portfolio investments on the same terms and conditions as the Sub-Fund, subject to applicable legal, tax or other regulatory considerations, and generally will share proportionately in expenses.

The transactions and portfolio strategies of the Investment Manager and/or its affiliates used for Other PSAM Accounts could conflict with the transactions and investment strategies employed by the Investment Manager in managing the Sub-Fund and adversely affect the prices and availability of the securities and other financial instruments in which the Sub-Fund invests or may seek to invest. The Investment Manager may sell or recommend the sale, and may buy or recommend the purchase, of a particular security for certain but not all accounts (including Other PSAM Accounts in which the Investment Manager or its officers or employees may have an interest) or may take different action with regard to the timing or nature of actions taken with respect to the Sub-Fund and, accordingly,
transactions in a particular account, including the Sub-Fund, may not be consistent with transactions in Other PSAM Accounts. The Sub-Fund may acquire securities or other financial instruments of an issuer that are senior or junior to securities or financial instruments of the same issuer that are held by Other PSAM Accounts (e.g., an Other PSAM Account may acquire subordinated debt while the Sub-Fund may acquire equity). The Investment Manager recognizes that conflicts may arise under such circumstances and will endeavour to treat all accounts fairly and equitably.

The Investment Manager and its limited partners, officers and employees will devote as much of their time to the activities of the Sub-Fund as they deem necessary and appropriate. The Investment Manager and its affiliates are not restricted from advising Other PSAM Accounts, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Sub-Fund and/or may involve substantial time and resources of the Investment Manager. These activities could be viewed as creating a conflict of interest in that the time and effort of the investment team will not be devoted exclusively to the business of the Sub-Fund but will be allocated between the business of the Sub-Fund and the management of the assets of Other PSAM Accounts and other activities of the Investment Manager. Although such persons will seek to limit any such conflicts in a manner that is in accordance with their duties to the Sub-Fund and such Other PSAM Accounts, there can be no assurance that serving in such positions will have no impact on the performance of such person's responsibilities on behalf of the Sub-Fund.

When it is determined that it would be appropriate for the Sub-Fund and one or more other investment accounts managed by the Investment Manager or its affiliates to participate in an investment opportunity, the Investment Manager will seek to allocate the opportunity for all of the participating investment accounts, including the Sub-Fund, on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the Sub-Fund and the affiliated entities for which participation is appropriate. Notwithstanding the foregoing, an investment opportunity may be allocated on a different basis if all participating funds and accounts receive fair and equitable treatment as determined by the Investment Manager. Orders may be combined for all such accounts, and may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis that the Investment Manager or its affiliates consider equitable.

In certain limited circumstances, the Investment Manager may not be able to allocate a portion of the order to the Sub-Fund or one or more Other PSAM Accounts because of minimum investment restrictions or excessive costs. For this reason, the Investment Manager will, from time to time, establish special purpose vehicles in which the Sub-Fund (if eligible) and/or one or more eligible Other PSAM Accounts will participate with respect to any such transactions.

The Sub-Fund may engage in agency, agency cross and principal transactions with affiliates of the Investment Manager to the extent permitted by applicable securities laws. Members of the Board of Directors that are not affiliated with the Investment Manager will consider, and approve or disapprove, to the extent required by law, principal transactions and other related party transactions involving the Investment Manager or its affiliates.

8. DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Class of Shares.

9. KEY INFORMATION FOR PURCHASING AND SELLING

Base Currency

Euro

Classes of Shares

Shares in the Sub-Fund will be available in different Classes as follows:
<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>EUR Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>USD Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B</td>
<td>EUR Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B</td>
<td>USD Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B</td>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class C</td>
<td>EUR Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class C</td>
<td>USD Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class C</td>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class I</td>
<td>EUR Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class I</td>
<td>USD Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class I</td>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class I</td>
<td>SEK Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>EUR Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>USD Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>SEK Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>$1000</td>
<td>$100,000,000</td>
<td>1%</td>
<td>13%</td>
<td>$5,000,000</td>
<td>Shares</td>
</tr>
<tr>
<td>Class S USD Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1000</td>
<td>£100,000,000</td>
<td>1%</td>
<td>13%</td>
<td>£ 5,000,000</td>
<td>Shares</td>
</tr>
<tr>
<td>Class R USD Shares</td>
<td>Euro</td>
<td>No</td>
<td>€1000</td>
<td>€100,000,000</td>
<td>1%</td>
<td>13%</td>
<td>€ 5,000,000</td>
<td>Shares</td>
</tr>
<tr>
<td>Class R GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1000</td>
<td>£100,000,000</td>
<td>1%</td>
<td>13%</td>
<td>£ 5,000,000</td>
<td>Shares</td>
</tr>
<tr>
<td>Class E USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>$1000</td>
<td>$50,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$10,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class E EUR Shares</td>
<td>Euro</td>
<td>No</td>
<td>€1000</td>
<td>€50,000</td>
<td>N/A</td>
<td>N/A</td>
<td>€10,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class E GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1000</td>
<td>£50,000</td>
<td>N/A</td>
<td>N/A</td>
<td>£10,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Investment Manager. Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Company has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class B EUR Shares, Class B USD Shares and Class B GBP Shares were the initial investor share classes and are now closed to new subscriptions.

Class E USD Shares, Class E EUR Shares and Class E GBP Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The USD, GBP and SEK denominated Share classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. Investors in USD, GBP and SEK denominated Share classes are referred to the description and risks related to Currency Hedged Share Classes in the section of the Prospectus entitled Risk Factors.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

Initial Offer Period

The Class A GBP Shares, Class A USD Shares, Class A EUR Shares, Class B USD Shares, Class B GBP Shares, Class E EUR Shares, Class E GBP Shares, Class I SEK Shares, Class S USD Shares, Class S EUR Shares and Class S GBP Shares are available for subscription from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

All other Share Classes are issued at their Net Asset Value per Share on each Dealing Day.

Redemption in Kind
Notwithstanding the section of the Prospectus entitled “Repurchase of Shares”, any repurchase request which the Directors determine should be satisfied in whole or in part by an in-kind distribution of securities of the Sub-Fund in lieu of cash, shall require Shareholder consent. Asset allocation will be subject to the approval of the Depositary.

Should the Shareholder require that the Sub-Fund, instead of transferring those assets, arrange for their sale, the payment of the net proceeds of sale, less any duties and charges, will be made to that Shareholder. Shareholders must request the sale of such assets through a written request within three business days of notification of the in kind distribution being made by the Sub-Fund. Shareholders who receive securities in lieu of cash upon repurchase should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the repurchasing Shareholder of the securities may be more or less than the repurchase price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the securities.

**Business Day**

Every day (except legal public holidays in the United Kingdom and Ireland and days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Friday (except legal public holidays in the United Kingdom and Ireland and days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

12 midday Irish time 3 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions and repurchases, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

**Valuation Point**

Close of business on the relevant Dealing Day.

10. **CHARGES AND EXPENSES**

**Initial, Exchange and Repurchase Charges**

With respect to the Class A Shares and the Class C Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. With respect to the Class P Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

With respect to the Class S Shares and the Class R Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 0.5% of the issue price of such Shares on that
Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

The Sub-Fund may on any Dealing Day require a Shareholder to pay a charge for the exchange of Shares of a Class of up to 3% of the total repurchase price of the Shares of the Original Class on that Dealing Day where the Shares of the Original Class are Class A Shares or Class C Shares.

No repurchase charge shall be payable in respect of the Shares.

The Sub-Fund may also impose an anti-dilution levy or adjustment on repurchase of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets.

Management Charge

The Company will pay to the Investment Manager from the assets attributable to each Class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

1.5% per Class I EUR Share, Class I USD Share, Class I GBP Share and Class I SEK Share (collectively the “Class I Shares”)

2.5% per Class A EUR Share, Class A USD Share and Class A GBP Share (collectively, the “Class A Shares”)

1% per Class B EUR Share, Class B USD Share and Class B GBP Share (collectively, the “Class B Shares”)

2.5% per Class C EUR Share, Class C USD Share and Class C GBP Share (collectively, the “Class C Shares”)

1.5% per Class P EUR Share, Class P USD Share, Class P GBP Share and Class P SEK Share (the “Class P Shares”)

1.0% per Class S EUR Share, Class S GBP Share and Class S USD Share (collectively the “Class S Shares”)

1.0% per Class R EUR Share, Class R GBP Share and Class R USD Share (collectively the “Class R Shares”)

No management fee is payable in respect of the Class E USD Shares, Class E EUR Shares and the Class E GBP Shares.

Performance Fee

A performance fee may also become payable to the Investment Manager, in addition to the Management Fees described above (the “Performance Fee”) in respect of the Class I Shares, Class A Shares, Class B Shares, Class C Shares, Class P Shares, Class R Shares and Class S Shares.

No performance fee is payable in respect of the Class E USD Shares, Class E EUR Shares and the Class E GBP Shares.

The Performance Fee in respect of each Share will be calculated in respect of each 12 month period ending on 31 December (a “Calculation Period”). The Performance Fee will accrue on each Dealing Day.

For each Calculation Period, the Performance Fee in respect of the Class A Shares, Class C Shares, Class P Shares and Class I Shares will be equal to 15% of the appreciation in the Net Asset Value of the relevant Share during that Calculation Period above the Base Net Asset Value of the relevant Share, the Performance Fee in respect of the Class S Shares and the Class R Shares will be equal to 13% of the appreciation in the Net Asset Value of the relevant Share during that Calculation Period above the Base Net Asset Value of the relevant Share and the Performance Fee in respect of the Class B Shares will be equal to 10% of the appreciation in the Net Asset Value of the relevant Share during that Calculation Period above the Base Net Asset Value of the relevant Share. The Base Net Asset Value is the greater of the Net Asset Value per Share of the relevant Share at the time of issue of that Share and the highest Net Asset Value per Share of that Share achieved as at the end of any previous Calculation Period (if any) during which such Share was in issue (or the date on which the Sub-Fund commenced business if issued at the end of the Initial Offer Period) (the “Base Net Asset Value per Share”).

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value per Share before deduction for any accrued Performance Fee.
The Performance Fee will be payable by the Company to the Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption. In the event of a partial redemption, Shares will be treated as redeemed on a first in, first out basis.

If the Investment Management Agreement is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The calculation of the Performance Fee will be verified by the Depositary.

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, incentive fees may be paid on unrealised gains which may subsequently never be realised.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the management charge and/or Performance Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

**Mutualised Share Classes - Class C, Class P and Class R Shares**

The Performance Fee will be calculated by the Administrator and verified by the Depositary. For each of the Class C, Class P and Class R Shares, a Performance Fee calculation in respect of each Calculation Period will be equal to the aggregate of the Performance Fees determined in respect of each separate subscription of Shares, accrued daily. The Performance Fee calculation for each separate subscription of Shares will be 15% for Class C Shares and Class P Shares and 13% for Class R Shares of any increase in the Net Asset Value per Share of the relevant Share Class during the Calculation Period over the Base Net Asset Value per Share relating to that subscription, after deduction of the Management Fee (but not any accrued Performance Fees) and any trading expenses for that period. The Base Net Asset Value per Share is the greater of the Net Asset Value per Share of the relevant Class at the time of issue of that Share and the highest Net Asset Value per Share of the relevant Class achieved as of the end of any previous Calculation Period if any. Since Performance Fees are aggregated and applied to the Share Class as a whole, the actual Performance Fee incurred for each separate subscription is determined by the change in Net Asset Value per Share of the Share Class. There may be occasions where an investor effectively pays Performance Fees for which it has gained no benefit or where some investors are subsidising other investors. If the Investment Management Agreement is terminated other than at the end of a Calculation Period the Performance Fee will be calculated as if such Performance Fee Calculation Period ended on the date of such termination. The Calculation Period for Shares that are redeemed shall terminate on the effective date of redemption. In the event of a partial redemption, Shares shall be redeemed on a first in, first out basis, for the purposes of calculating the Performance Fee.

**Equalisation – Class I, Class S Class A and Class B Shares**

The Performance Fee in respect of the Class I, Class A and Class B Shares is calculated on a Share-by-Share basis. This method of calculation endeavours to ensure that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same class have the same amount of capital per Share at risk in the Sub-Fund, and (iii) all Shares of the same class have the same Net Asset Value per Share.

If an investor subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the Base Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager.

(i) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the Base Net Asset Value per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Base Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at par value (which will
be retained by the Company) such number of the investor's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 15% in the case of Class I Shares, 15% in the case of Class A Shares, 13% in case of Class S Shares and 10% in the case of Class B Shares, of any such appreciation (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Company will not be required to pay to the investor the redemption proceeds of the relevant Shares, being the aggregate par value thereof. Performance Fee Redemptions are employed to ensure that the Company maintains a uniform Net Asset Value per Share for each Class. As regards the investor's remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares above the Base Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

(ii) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Base Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to 15% in the case of Class I Shares, 15% in the case of Class A Shares, 13% in case of Class S Shares and 10% in the case of Class B Shares, of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the Base Net Asset Value per Share of that Class (an "Equalisation Credit"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Company (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Company but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit seeks to ensure that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Dealing Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to 15% in the case of Class I Shares, 15% in the case of Class A Shares, 13% in case of Class S Shares and 10% in the case of Class B Shares, of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) at the date of issue and as at that Dealing Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior Base Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to 15% in the case of Class I Shares, 15% in the case of Class A Shares, 13% in case of Class S Shares and 10% in the case of Class B Shares, of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for that Class for Shares was made, has been fully applied. If the Shareholder redeems his Shares of that Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

The Administrative and Operating Fee

The Company will pay Morgan Stanley & Co. International plc (the "Promoter"), out of the assets of the Sub-Fund, an aggregate fee in respect of the services provided by the Promoter. This administrative fee...
and operating fee will not exceed 0.35% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears. The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of the administrative and operating fee.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund.

11. HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

12. HOW TO REPURCHASE SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

13. HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

14. ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

15. OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.

16. OTHER INFORMATION

In addition to the reports and accounts to be delivered to investors described in the Prospectus, investors will receive audited accounts of the Reference Portfolio for the same period as the audited accounts for the Fund and the Sub-Fund.
This Supplement contains specific information in relation to the MS Alkeon UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by Alkeon Capital Management, LLC (“Alkeon” or the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
TABLE OF CONTENTS

1 INVESTMENT OBJECTIVE AND POLICIES ................................................................. 87
2 THE TOTAL RETURN SWAPS ...................................................................................... 89
3 THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY ............................ 90
4 INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO ........................... 91
5 INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS .................................. 91
6 INVESTMENT MANAGER ......................................................................................... 91
7 RISK MANAGER ........................................................................................................ 92
8 BORROWING AND LEVERAGE .................................................................................. 92
9 RISK FACTORS .......................................................................................................... 92
10 DIVIDEND POLICY ................................................................................................... 94
11 KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ............................ 94
12 CHARGES AND EXPENSES ..................................................................................... 97
13 HOW TO SUBSCRIBE FOR SHARES ....................................................................... 99
14 HOW TO SELL SHARES ............................................................................................ 99
15 HOW TO EXCHANGE SHARES .................................................................................. 99
16 ESTABLISHMENT CHARGES AND EXPENSES ...................................................... 99
17 OTHER CHARGES AND EXPENSES ....................................................................... 99
18 OTHER INFORMATION ............................................................................................. 99
1 INVESTMENT OBJECTIVE AND POLICIES

1.1. Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with a return linked to the performance of a reference portfolio (the “Reference Portfolio”), described in more detail under the heading Description of the Reference Portfolio at 1.3 below.

1.2. Investment Policy

The Sub-Fund is exposed to the economic performance of the Reference Portfolio and is described in more detail in Description of the Reference Portfolio at 1.3 below, through a total return swap (the “Portfolio Total Return Swap”). The Reference Portfolio is comprised primarily of equity securities of U.S. and non-U.S. companies that the Investment Manager believes are well positioned to benefit from demand for their products or services and may also be comprised of short positions in such securities and the other instruments set out at 1.3 below.

The Portfolio Total Return Swap will give the Sub-Fund economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. This will be provided by the Approved Counterparty. In order to obtain the floating rate of return, the Sub-Fund expects to purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty under a total return swap (the “Funding Swap”) in exchange for such return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above. The performance of the Sub-Fund will primarily be determined by the performance of the Reference Portfolio.

1.3. Description of the Reference Portfolio

The Reference Portfolio is a notional portfolio representative of a dynamically managed portfolio of investments primarily consisting of long and short equity positions which will be made by the Investment Manager in implementing its absolute return strategy (the “Alkeon Investment Strategy”). Absolute return strategies aim to produce positive returns on capital regardless of the direction of financial markets. This is the goal of the Reference Portfolio. However, there is no guarantee that the Reference Portfolio will meet this goal.

Alkeon Investment Strategy

The Alkeon Investment Strategy is proprietary to the Investment Manager. The objective of the Alkeon Investment Strategy is to achieve maximum capital appreciation by investing primarily in long and short positions of publicly-traded (ie, on Recognised Markets) companies globally, including technology stocks.

The strategy involves investing (ie taking long positions) primarily in equity securities of U.S. and non-U.S. companies that the Investment Manager believes are well positioned to benefit from demand for their products or services, including companies that can innovate or grow rapidly relative to their peers in their markets. “Growth Companies” are generally considered to possess these characteristics. The strategy also involves taking short positions in securities when the Investment Manager believes that the market price of a security is above its estimated intrinsic or fundamental value. In seeking short investment opportunities, the Investment Manager may look for companies with, among other things, weak balance sheets, deteriorating fundamentals, poor or negative free cash flow generation and commoditized product lines. Short exposure will typically range from 20% to 80% of total portfolio exposure.

For both long and short investment exposures the Investment Manager may buy or sell short an equity security directly, or may gain such exposure through the use of FDI (e.g., total return swaps).

In making investment decisions for the strategy, the Investment Manager uses fundamental investment analysis and research to identify attractive investment opportunities. The strategy’s investment process involves a research driven, bottom-up analysis of a security’s potential for appreciation or depreciation, and includes consideration of the financial condition, earnings outlook, strategy, management and industry position of issuers. This analytical process involves the use of valuation models, review and
analysis of published research, and, in some cases, discussions with industry experts and company visits. The Investment Manager also takes into account economic and market conditions. One of the strategy’s primary goals is to invest in companies with improving fundamentals, operating in markets with high barriers to entry, strong franchises and superior competitive positions, and to take short positions in lower-quality, lower-tier companies with deteriorating fundamentals and operating in markets with low barriers to entry.

For purposes of the Reference Portfolio, “equity securities” means common and preferred stocks (including IPO securities), convertible securities, stock options (call and put options) and warrants in relation to such securities. Historically, the Investment Manager has found significant opportunities for maximum capital appreciation in the equity securities of Technology Companies (as defined below). Conversely, the Investment Manager has also found opportunities for maximum capital appreciation in short positions in equity securities of companies that are, or may be expected to be, disadvantaged by technological events, advances or products. As a result, these companies, together with Technology Companies (as defined below), are expected to comprise a significant portion of the Reference Portfolio. The Reference Portfolio may also include investments in the equity securities of companies in a variety of other industries and sectors, including, without limitation, consumer, industrial, retail, financial, healthcare and materials.

**Underlying Instruments of the Reference Portfolio**

In addition to direct investment in equity securities, the Alkeon Investment Strategy will also gain exposure to such securities through the use of financial derivative instruments (“FDIs”) in relation to such securities.

The Reference Portfolio may include (for investment or efficient portfolio management purposes) convertible securities, stock options and warrants. The strategy also may invest in debt securities, swaps, swaptions, and other derivative instruments, such as forward contracts and options on equity indices, and structured equity-linked products, including, without limitation, exchange traded notes, convertible bonds and exchange traded funds.

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.

As part of the Alkeon Investment Strategy, call and put options and warrants in respect of specific securities may be purchased and sold for hedging purposes and investment purposes. Please see section 5 below for more details on options.

Debt securities may be below investment grade and be either fixed or floating and government or corporate. Debt securities will be deemed to be below investment grade, if they have a rating BB+ and/or lower by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be below investment grade by the Investment Manager. While it is not currently expected that the Reference Portfolio will have significant emerging market or below investment-grade debt exposure, there are no limits to the extent that such investments might be included in the Reference Portfolio, if deemed appropriate by the Investment Manager.

The Reference Portfolio may utilise equity swaps for efficient cash management to minimise taxes on the purchase or sale of equities or for access to certain issuers / and jurisdictions.

Exchange traded funds, subject to an aggregate limit of 20% of the Net Asset Value of the Sub-Fund, may be used by the Reference Portfolio in seeking maximum capital appreciation or for hedging purposes. Typically, an exchange traded fund holds a portfolio of common stocks designed to track the performance of a particular index or a “basket” of stocks of companies within a particular industry sector or group. Index futures on broad based indices may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market.

FDI in which the Reference Portfolio may invest may be exchange-traded or OTC.

This is a summary of the Reference Portfolio. There is no assurance that the Reference Portfolio’s objective will be achieved. The strategy may use all or any of these investment techniques and instruments to pursue its investment objective or for hedging purposes.
1.4. **General**

While the Sub-Fund will hold an unleveraged exposure to the Reference Portfolio (i.e. the Sub-Fund will not expose more than 100% of its Net Asset Value to the Reference Portfolio), investors should note that the Reference Portfolio itself will be leveraged. The Sub-Fund’s global exposure (which will include the leverage inherent in the Reference Portfolio) is subject to an advanced risk management process. In compliance with the Regulations, the Sub-Fund’s risk management process aims to ensure that on any day the relative VaR of the Sub-Fund will not exceed 2 times the VaR of the benchmark index, which in this instance will be the MSCI World Index, using a one-tailed confidence interval of 99% and a holding period of one month. The historical observation period should not be less than 1 year. The MSCI World Index is an unhedged free float-adjusted market-capitalization-weighted index which represents the global equity markets. The Investment Manager may alter the benchmark index from time to time to any other benchmark which the Investment Manager determines, in its sole discretion, is generally representative of the global equity market. Shareholders will not be notified in advance of any change in the benchmark index, however, such change will be notified to Shareholders in the periodic reports of the Company following such change. The ratio of long and short investments (which may be in either or both of equities and debt securities) may vary through time. The Sub-Fund’s gross exposure (including leverage) (long plus short positions) calculated using the sum of the notional approach is generally expected to have a long term average of 80% to 200% and will never exceed 220% of the Net Asset Value of the Sub-Fund.

The “long” exposure of the Reference Portfolio is expected to be within a range of 55% to 140% of the net assets and the “short” exposure is expected to be within a range of 25% to 85% of net assets.

The Sub-Fund and the Reference Portfolio will only utilise those derivatives that are listed in the risk management process in respect of the Sub-Fund and that have been cleared by the Central Bank.

The Sub-Fund may enter into FDI transactions, such as forward currency exchange contracts for efficient portfolio management purposes. FDI can be used to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information in respect of forward currency exchange contracts please see the section entitled **Information on the Financial Derivative Instruments** below.

### Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a long-term appreciation of capital. Shares in the Sub-Fund will be available to both retail and institutional investors.

2. **THE TOTAL RETURN SWAPS**

The Sub-Fund uses two total return swaps, the Portfolio Total Return Swap and the Funding Swap (as defined below) (together, the “Swaps”). The sole Approved Counterparty in respect of the Swaps described above will be Morgan Stanley or any of its affiliates or subsidiaries that is a UCITS eligible counterparty (the “Approved Counterparty” or “Morgan Stanley”).

There are two strategic components to the Swaps: (1) to gain exposure to the economic performance of the Reference Portfolio as described above; and (2) to transfer the economic interest in the “Funding Assets” (as described below) to the Approved Counterparty.

It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Funding Assets other than in the event of a default by the Approved Counterparty under the terms of the Funding Swap.

1.5. **The Portfolio Total Return Swap**

The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. This will be provided by the Approved Counterparty.

1.6. **The Funding Swap**

The Sub-Fund will purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty pursuant to the Funding Swap in
exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

“Funding Assets” will include equity securities (including IPO securities) and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (ADRs traded in the United States markets and GDRs traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Portfolio. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below “investment grade” by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager. Funding Assets also include other investment schemes having similar investment objectives and policies to the Sub-Fund and exchange traded funds, however, the Sub-Fund will not invest more than 10 per cent of its Net Asset Value in such schemes. The Investment Manager will determine which securities are included within the Funding Assets.

Funding Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be so listed or traded as they are a permitted unlisted investment.

The Approved Counterparty will provide collateral to the Sub-Fund to ensure that the Sub-Fund’s risk exposure to the Approved Counterparty does not exceed the level required by the Central Bank. The collateral will be in the form required by the Central Bank.

The Sub-Fund may retain amounts in cash or investment grade cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances) pending re-investment, or for use as collateral, arising from the Sub-Fund’s use of FDIs if this is considered appropriate to the investment objective.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps, “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>200%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>1%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>1%</td>
</tr>
</tbody>
</table>

The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the Reference Portfolio.

The Sub-Fund may not enter into fully funded swaps.

3 THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY

Morgan Stanley may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by the Morgan Stanley in implementing its hedging strategy (including costs and fees of the Investment Manager in relation thereto) paid or reimbursed by Morgan Stanley will ultimately be borne by the Sub-Fund as costs under the terms of the Swap.
The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include credit default swaps, interest rate swaps, total return swaps, swaptions and currency swaps. The “buyer” in a credit default 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 obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. A swaption is an option granting its owner the right but not the obligation to enter into an underlying swap. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency.

Options. Options may be traded over-the-counter or OTC options. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is Alkeon Capital Management, LLC. The Investment Manager is a limited liability company with its registered office at 350 Madison Avenue, 9th Floor, New York, NY 10017, USA.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Company and the Investment Manager dated 8 June 2011 as amended and as may be further amended (the “Agreement”).

Subject to controls imposed by the Directors under the Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Investment Manager is a registered investment advisor with the U.S. Securities and Exchange Commission. As at 30 April 2017 the Investment Manager had approximately US$ 6 billion assets under management.
The Agreement provides that the Investment Manager shall be responsible for loss to the Company to the extent such loss is due to negligence (whether through an act or omission), wilful default or fraud by itself, its directors, officers, servants, employees, agents and appointees. The Investment Manager shall also be liable to the Company for contractual breach of the Agreement and for its tortuous conduct, breach of fiduciary duty and any misrepresentation made by or on behalf of the Investment Manager to the Company in connection with the Agreement. The Investment Manager shall indemnify and keep indemnified and hold harmless the Company in the circumstances set out in the Agreement.

The Agreement shall continue in force until terminated pursuant to the Agreement. Either party may terminate the Agreement on giving not less than three months’ prior written notice (or such other period as may be agreed between the parties). The Agreement may be terminated at any time in the circumstances set out in the Agreement.

7 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Company, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Company or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Company or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Agreement on giving not less than 90 days’ written notice at any time. The Agreement may also be terminated at any time in the circumstances set out in the Agreement.

8 BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund may be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the relative VaR of the Sub-Fund will not exceed 2 times the VaR of the benchmark index, which in this instance will be the MSCI World Index or such other benchmark which the Investment Manager determines, in its sole discretion, is generally representative of the global equity market.

9 RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

30.7 9.1 Currency Risk
The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in USD, Swiss Francs, Euros or Pounds Sterling into the USD, CHF, EUR or GBP denominated Share Classes respectively. The CHF, EUR and GBP denominated Shares are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the section of the Prospectus entitled **Hedged Share Classes** for information on the currency risks associated with investment in those Share Classes.

Depending on an investor's currency of reference, currency fluctuations between that currency and the base currency of the Sub-Fund may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

**30.8 9.2 IPO Securities**

The Reference Portfolio and the Sub-Fund may purchase securities of companies in initial public offerings (i.e., "IPO securities") or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history.

**30.9 9.3 Market Capitalization Risk**

The Reference Portfolio will invest in equity securities without regard to the issuer's market capitalization. It may invest significantly in the stocks of companies having smaller market capitalizations, including mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.

**30.10 9.4 Active Management Risk**

The Reference Portfolio's turnover and brokerage commission expenses (which will be reflected in the net payments received from the counterparty under the Portfolio Total Return Swap) may significantly exceed those of other investment funds. Additionally, a high portfolio turnover rate (one that exceeds 100%) may result in the realization of capital gains, including short-terms gains.

**30.11 9.5 Technology Company Securities**

It is expected that, under normal market conditions, the Reference Portfolio will maintain a significant exposure to the equity securities of companies which derive a major portion of their revenue directly or indirectly from business lines which benefit, or are expected to benefit, from technological events, advances or products ("Technology Companies"). Investing in securities of Technology Companies involves additional risks. These risks include: the fact that certain companies in the Reference Portfolio may have limited operating histories; rapidly changing technologies and products which may quickly become obsolete; cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate technological training; the possibility of lawsuits related to technological patents; changing investors' sentiments and preferences with regard to investments in Technology Companies (which are generally perceived as risky) with their resultant effect on the price of underlying securities; and volatility in the U.S. and foreign stock markets which may disproportionately affect the prices of securities of Technology Companies and thus cause the Reference Portfolio's performance to experience substantial volatility. The Reference Portfolio is thus subject to these and other risks associated with Technology Companies to a much greater extent than a portfolio that does not emphasize these investments.

It should be noted that the Sub-Fund's definition of "Technology Companies" (as indicated above) covers companies in a broader range of industries and sectors than those that are more commonly considered technology companies. As a result, the Reference Portfolio and its performance may not resemble those of funds that are concentrated in more traditional technology companies.

**30.12 9.6 Growth Company Securities**

The Reference Portfolio may invest a substantial portion of its assets in "growth companies." Investing
in growth companies involves substantial risks. Securities of growth companies may perform differently from the stock market as a whole and may be more volatile than other types of stocks. Since growth companies usually invest a significant portion of earnings in their businesses, they may lack the dividends of value stocks that can cushion the impact of declining stock prices in a falling market. Also, earnings disappointments often lead to sharply falling prices for growth company stocks because investors buy growth company stocks in anticipation of superior earnings growth. Securities of growth companies may also be more expensive relative to their earnings or assets compared to value or other types of stocks.

30.13  9.7 Investment in other collective investment schemes

The Sub-Fund may purchase shares of other collective investment schemes. As a shareholder of another collective investment scheme, the Sub-Fund would bear, along with other shareholders, its pro rata portion of the other collective investment scheme’s expenses, including management fees. These expenses would be in addition to the expenses that the Sub-Fund would bear in connection with its own operations. Investment in other collective investment schemes may also result in a lack of transparency with respect to investments in which the Fund has an indirect interest.

10 DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Class of Shares.

11 KEY INFORMATION FOR PURCHASES AND SALES OF SHARES

Base Currency

USD

Classes of Shares

Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issuance Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription / Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>CHF 1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class C EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class C USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>Currency</td>
<td>Yes/No</td>
<td>Minimum Initial Subscription Amount</td>
<td>Minimum Subsequent Subscription Amount</td>
<td>Minimum Holding</td>
<td>Minimum Repurchase Amount</td>
<td>Shares</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>-----------</td>
<td>--------</td>
<td>--------------------------------------</td>
<td>----------------------------------------</td>
<td>----------------</td>
<td>--------------------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>C GBP</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>C CHF</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 1,000,000</td>
<td>1%</td>
<td>20%</td>
<td>CHF 10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>I EUR</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>2%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>I USD</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>2%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>I GBP</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>2%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>I CHF</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 1,000,000</td>
<td>2%</td>
<td>20%</td>
<td>CHF 10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>P EUR</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>2%</td>
<td>20%</td>
<td>€10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>P USD</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$250,000</td>
<td>2%</td>
<td>20%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>P GBP</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>2%</td>
<td>20%</td>
<td>£10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>P CHF</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 250,000</td>
<td>2%</td>
<td>20%</td>
<td>CHF 10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>E USD</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$100,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$50,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Company has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class C EUR Shares, Class C USD Shares, Class C GBP Shares and Class C CHF Shares will also be initial investor Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach USD 50 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

Class E USD Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The EUR, GBP and CHF denominated Share Classes are Currency Hedged Share Classes. In respect
of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. Investors in EUR, GBP and CHF denominated Share Classes are referred to the description and risks related to Currency Hedged Share Classes in the section of the Prospectus titled “Risk Factors”.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Subscription period for each Share Class**

The Class C CHF Shares, Class C GBP Shares, Class E USD Shares, Class I GBP Shares, and Class P CHF Shares are available for subscription from 9.00 a.m. (Irish time) on 3 August 2017 until 5:30 p.m. (Irish time) on 2 February 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

As the Class C USD Share Class in the Fund was previously launched and then subsequently redeemed, this Share Class is now available at the initial offer price set out in the table above from 9.00 a.m. (Irish time) on 3 August 2017 until 5.30 p.m. (Irish time) on 2 February 2018. Such offer period may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

All other Share Classes are issued at their Net Asset Value per Share on each Dealing Day.

**Business Day**

Every day (except legal public holidays in the United Kingdom and Ireland and days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Friday (except legal public holidays in the United Kingdom and Ireland and days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

12 midday Irish time 5 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions, within 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.
Valuation Point

Close of business on the relevant Dealing Day.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class A EUR Shares, Class A USD Shares, Class A CHF Shares and Class A GBP Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. With respect to the Class P Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No exchange or repurchase charges shall be applicable in respect of the Shares.

The Sub-Fund may also impose an anti-dilution levy or adjustment on repurchase of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets.

Management Charge

The Company will pay to the Investment Manager from the assets attributable to each Class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:-

- 2% per Class P EUR Share, Class P USD Share, Class P GBP Share and Class P CHF Share (collectively the “Class P Shares”)
- 2% per Class I EUR Share, Class I USD Share, Class I GBP Share and Class I CHF Share (collectively the “Class I Shares”)
- 2.5% per Class A EUR Share, Class A USD Share, Class A GBP Share and Class A CHF Share (collectively, the “Class A Shares”) and
- 1% per Class C EUR Share, Class C USD Share, Class C GBP Share and Class C CHF Share (collectively the “Class C Shares”)

No management fee is payable in respect of the Class E USD Shares.

Performance Fee

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the “Performance Fee”) is payable to the Investment Manager, of 20% in respect of the Class A Shares, the Class C Shares, the Class I Shares and of the Class P Shares, of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

No Performance Fee is payable in respect of the Class E USD Shares.
“Payment Date” means the date at which the Performance Fee crystallised during a Calculation Period is paid. The Payment Date will be within 14 calendar days of the relevant Calculation Period.

For the first Calculation Period the “High Water Mark Net Asset Value” means the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period in an amount equal to the percentage which such subscriptions or redemptions represent of the Net Asset Value of the Class on the relevant Dealing Day (i.e., if a subscription is received which is equal to 10% of the Net Asset Value, then the High Water Mark Net Asset Value will be increased by 10% or if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%).

For each subsequent Calculation Period for a Share Class the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee shall be equal to 20% for the Class A Shares, the Class C Shares, Class I Shares and Class P Shares, of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period. No Performance Fee is payable in respect of the Class E Shares.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the High Water Mark Net Asset Value. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on or before the Payment Date to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on a redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

It should be noted that as the Net Asset Value may differ between Classes, separate Performance Fee calculations will be carried out for separate Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.
Risk Management, Administrator’s and Depositary’s Fees

The Company will pay the Promoter, out of the assets of the Sub-Fund, a fee, which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

13 HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

14 HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

15 HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

16 ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

17 OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.

18 OTHER INFORMATION

Additional information concerning the portfolio of the Sub-Fund may be available to all investors upon request from the Investment Manager.
This Supplement contains specific information in relation to the MS Ascend UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by Ascend Capital, LLC (“Ascend” or the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
1. INVESTMENT OBJECTIVE AND POLICIES................................................................. 102
2. THE TOTAL RETURN SWAPS ................................................................................. 106
3. THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY ..................... 106
4. INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO .................................. 107
5. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS................................. 107
6. INVESTMENT MANAGER ...................................................................................... 107
7. RISK MANAGER .................................................................................................. 108
8. BORROWING AND LEVERAGE ............................................................................ 108
9. RISK FACTORS .................................................................................................. 108
10. DIVIDEND POLICY ............................................................................................ 109
11. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES .............................. 109
12. CHARGES AND EXPENSES .............................................................................. 112
13. HOW TO SUBSCRIBE FOR SHARES .................................................................. 114
14. HOW TO SELL SHARES ..................................................................................... 114
15. HOW TO EXCHANGE SHARES ........................................................................... 114
16. ESTABLISHMENT CHARGES AND EXPENSES.................................................. 114
17. OTHER CHARGES AND EXPENSES .................................................................. 114
1. **Investment Objective and Policies**

1.1. **Investment Objective**

The Sub-Fund’s investment objective is to provide Shareholders with a return linked to the performance of a reference portfolio (the “**Reference Portfolio**”), described in more detail under the heading **Description of the Reference Portfolio** at 1.2.1 below.

1.2. **Investment Policy**

The Sub-Fund is exposed to the economic performance of the Reference Portfolio, which is primarily comprised of long and short equity positions in U.S. markets referred to in Appendix II of the Prospectus and is described in more detail in **Description of the Reference Portfolio** at 1.2.1 below, through a total return swap (the “**Portfolio Total Return Swap**”). The Portfolio Total Return Swap will give the Sub-Fund economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. The performance of the Sub-Fund will primarily be determined by the performance of the Reference Portfolio.

The Sub-Fund expects to purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty under a total return swap (the “**Funding Swap**”) in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

1.2.1 **Description of the Reference Portfolio**

The Reference Portfolio is a notional portfolio representative of a dynamically managed portfolio of investments primarily consisting of long and short equity positions which will be made by the Investment Manager in implementing its strategy to generate superior risk-adjusted returns over a broad range of market environments (the “**Ascend Investment Strategy**”). The Reference Portfolio may also consist of other instruments such as fixed income securities, collective investment schemes and financial derivative instruments (“**FDIs**”) as set out in further detail in **Underlying Instruments of the Reference Portfolio** below.

**Ascend Investment Strategy**

The Ascend Investment Strategy is proprietary to the Investment Manager. The strategy is a variation of the “Jones Model” investing strategy with the intention of achieving capital appreciation in a broad range of market environments. The Jones Model is an investment strategy whereby the portfolio is long securities and short securities, and which seeks to hedge against market fluctuations. The Ascend Investment Strategy is focused on targeting absolute returns rather than returns that are correlated to the broad stock market. The Investment Manager invests in companies it identifies through a disciplined process involving thorough bottom-up fundamental research.

The Ascend Investment Strategy’s emphasis is primarily on individual equity securities in the U.S. markets referred to in Appendix II of the Prospectus.

**Ascend Investment Process**

The net market exposure of the Reference Portfolio may vary significantly depending on the Investment Manager’s assessment of shifting economic and market conditions as well as particular long and short investing opportunities; consequently, the Reference Portfolio has neither a long nor short bias.

**Long Portfolio Investments**

For the Reference Portfolio’s long positions, the Investment Manager employs “bottom-up” fundamental analysis to identify companies that may display some or all of the following characteristics:

- Improving revenue and earnings growth
- Strong cash flow and/or access to capital
- Competitive advantage and/or dominant industry position
- High barriers to entry with respect to the company’s existing business
- New, innovative, or revolutionary products
• Proven, strong management team
• Short- or intermediate-term “catalysts” to propel market price of stock upwards
• Undiscovered value/hidden assets on the company's balance sheet
• Business of company is in out-of-favor industries resulting in low valuation
• Favorable risk/reward ratio with high probability of success
• Not well covered by Wall Street analysts

**Short Portfolio Investments**

For the Reference Portfolio’s short positions, the Investment Manager employs “bottom-up” fundamental analysis to identify companies that may display some or all of the following characteristics:

- Deteriorating financial performance and/or condition
- Balance sheet irregularities and/or questionable accounting practices
- Decelerating earnings
- Product cycle dislocations
- Equity dilution
- Weak or inept management team
- Flawed business model
- Misrepresentations and/or unrealistic projections by management
- Increasing competition and/or market-share laggard
- A clear catalyst that is expected to cause the stock price to decline significantly

Short positions will, in general, not be selected solely on an “over valuation” basis.

The Investment Manager believes that entrepreneurial companies that identify and capitalize on emerging trends present compelling opportunities in many different market conditions and can experience rapid and dramatic periods of growth. Such periods are often attributable to specific “catalysts” such as innovative or proprietary products and services, a shift in the competitive landscape, management changes, or redeployment of company assets.

The Investment Manager utilizes numerous sources to identify these companies. An initial source is an extensive network of national and regional brokers, analysts, and investment bankers who maintain close contacts with company executives and local entrepreneurs. Additional sources include screening software (to identify companies producing positive or negative earnings reports and specific financial criteria as well as stocks experiencing sizeable price moves), industry publications, the financial press, news wires, buy-side contacts, and the internet.

After an idea has been generated, the Investment Manager will perform an in-depth investigation and analysis. This process may include interviews with management, customers, suppliers, competitors, industry specialists, and others. The Investment Manager believes that its idea generation system and extensive investment industry experience provides it with a strategic advantage in amassing vital information, dissecting financial statements, forecasting future operating performance, and assessing market conditions to make insightful and effective market decisions.

After carefully selecting securities that have been filtered through a variety of analytic methods as well as through the Investment Manager’s evaluation process, the Investment Manager will continue to monitor the impact of industry diversification as well as the potential effect of general macro-economic factors on performance of the Reference Portfolio. The risks and/or rewards of each industry group and economic sector will be analyzed in order to avert hidden risks or limited return potential within the Reference Portfolio. The percentage of long versus short positions will vary depending on opportunities that become available. The Reference Portfolio is designed to be flexible, maintaining a favorable risk/reward profile that strives to provide superior long-term investment performance while guarding against unforeseen events and potential risks.

The Investment Manager will generally close out a long or short position if one or more of the following characteristics are present:

- Security reaches target price or stop loss price
- The Investment Manager’s investment view in respect of the security is correct
- Events fail to confirm the Investment Manager’s investment view in respect of the security
- Fundamentals either deteriorate (in the case of a long position) or improve (in the case
of a short position), thus changing the risk-reward profile

Underlying Instruments of the Reference Portfolio

Although the Ascend Investment Strategy focuses on equity and equity-related securities that are publicly traded, it may pursue a highly diverse range of instruments.

The Reference Portfolio will seek to achieve maximum capital appreciation by investing primarily in equity and equity-related securities including common stock, preferred shares, convertible securities, fixed income securities (both corporate and government), exchange traded funds (“ETFs”), publicly traded as well as over-the-counter options and warrants. The Reference Portfolio will primarily invest in equity securities of companies with market capitalizations of greater than $500 million, however it may invest in certain companies regardless of the issuer's market capitalization. Such investments may include companies having smaller market capitalizations, such as mid-cap and small-cap stocks.

Convertible securities include preferred shares and convertible debt (including convertible bonds) or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. The fixed income securities in which the Reference Portfolio may invest may have any rating (including below investment grade) and may be unrated and be either fixed or floating and government or corporate. Fixed income securities will be deemed to be below investment grade, if they have a rating BB+ and/or lower by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be below investment grade by the Investment Manager. No more than 30% of the net asset value of the Reference Portfolio may be invested in below investment grade securities.

No more than 30% of the net asset value of the Reference Portfolio may be invested in either UCITS or eligible alternative investment funds (including regulated ETFs, investment companies, investment limited partnerships, and unit trusts), which provide exposure to listed and unlisted equities and debt securities and are consistent with the investment objective of the Sub-Fund. ETFs may be used by the Reference Portfolio in seeking maximum capital appreciation or for hedging purposes. Typically, an ETF holds a portfolio of common stocks designed to track the performance of a particular index or a “basket” of stocks of companies within a particular industry sector or group. Index futures on broad based indices may be utilised in order to hedge the equity portion of the Reference Portfolio from movements in the general equity market. In addition, up to 10% of the net assets of the Reference Portfolio may be comprised of unlisted transferable securities. Any such collective investment scheme will not charge annual management fees of in excess of 5% of those underlying funds’ respective net asset values and will be domiciled in the European Economic Area, Jersey, Guernsey, the Isle of Man or the United States.

In addition to direct investment in equity securities, the Ascend Investment Strategy will also gain exposure to such securities through the use of FDIs in relation to such securities both for investment and efficient portfolio management purposes. For example: (i) the Reference Portfolio may invest in a variety of options, whether singly or in combination with other options or securities positions, including options on specific securities, as well as market index or “market basket” options, options on currencies or other instruments, for speculative purposes, to increase directional exposure, or in order to seek to limit certain risks, primarily general market risks; (ii) equity swaps and contracts for differences may be utilised for access to certain issuers and jurisdictions or for other investment purposes; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the Reference Portfolio from movements in the general equity market or for other investment purposes; and (iv) foreign currency exchange options may be utilised to hedge against underlying currency risk in the Reference Portfolio or for other investment purposes.

The Reference Portfolio may, from time to time, hold all or a portion of its assets in cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances, when opportunities are limited or in other circumstances deemed appropriate by the Investment Manager.

FDIs in which the Reference Portfolio may invest may be exchange-traded or OTC.

This is a summary of the Reference Portfolio. There is no assurance that the Reference Portfolio’s objective will be achieved. The strategy may use all or any of these investment techniques and instruments to pursue its investment objective or for hedging purposes.
1.2.2 General

While the Sub-Fund will hold an unleveraged exposure to the Reference Portfolio (i.e. the Sub-Fund will not expose more than 100% of its Net Asset Value to the Reference Portfolio), investors should note that the Reference Portfolio itself will at times be leveraged, however, the Investment Manager does not intend leverage to be a material part of the Ascend Investment Strategy. The ratio of long and short investments (which will be primarily equity securities) may vary through time. Under normal market conditions, the Sub-Fund’s gross exposure will generally have a long term average of 150% to 180% and will never exceed 300% of the Net Asset Value of the Sub-Fund. However, in a volatile market environment, the Investment Manager may decrease the Sub-Fund’s gross exposure dramatically.

The Sub-Fund’s global exposure (which will include the leverage inherent in the Reference Portfolio, if any) is subject to an advanced risk management process. In compliance with the Regulations, the Sub-Fund’s risk management process aims to ensure that on any day the relative Value-at-Risk ("VaR") of the Sub-Fund will not exceed 2 times the VaR (based on a confidence level of 99%, a holding period of one month and a historical observation period of one year) of an equivalent unleveraged benchmark portfolio, which initially will be the S&P 500 Index (the “Benchmark Index”). The Investment Manager may alter the Benchmark Index from time to time to any other benchmark which the Investment Manager determines, in its sole discretion, is generally representative of the U.S. equity market. Shareholders will not be notified in advance of any change in the Benchmark Index. However, such change will be notified to Shareholders in the periodic reports of the Sub-Fund following such change.

The “long” exposure of the Reference Portfolio is expected to be within a range of 50% to 130% of the net assets and the “short” exposure is expected to be within a range of -50% to -130% of net assets.

The Sub-Fund may retain amounts in cash or investment grade cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances), pending re-investment, or for use as collateral, arising from the Sub-Fund’s use of FDIs if this is considered appropriate to the investment objective.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>200%</td>
<td>210%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the Reference Portfolio.

The Sub-Fund may not enter into fully funded swaps.

The Sub-Fund and the Reference Portfolio will only utilise those derivatives that are listed in the risk management process in respect of the Sub-Fund and that have been cleared by the Central Bank. The Sub-Fund may enter into FDI transactions, such as forward currency exchange contracts for efficient portfolio management purposes. FDI can be used to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information in respect of forward currency exchange contracts please see the section entitled Information on the Financial Derivative Instruments below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central
guidance titled UCITS Financial Derivative Instruments and Efficient Portfolio Management, prior to the Sub-Fund engaging in using such FDIs.

**Profile of a Typical Investor**

Investment in the Sub-Fund is suitable for investors seeking a long-term appreciation of capital. Shares in the Sub-Fund will be available to both retail and institutional investors.

2. **THE TOTAL RETURN SWAPS**

The Sub-Fund uses two total return swaps, the Portfolio Total Return Swap and the Funding Swap (as defined below) (together, the "Swaps"). The sole Approved Counterparty in respect of the Swaps will be Morgan Stanley or any of its affiliates or subsidiaries that is a UCITS eligible counterparty (the "Approved Counterparty" or "Morgan Stanley").

There are two strategic components to the Swaps: (1) to gain exposure to the economic performance of the Reference Portfolio as described above; and (2) to transfer the economic interest in the "Funding Assets" (as described below) to the Approved Counterparty.

It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Funding Assets other than in the event of a default by the Approved Counterparty under the terms of the Funding Swap.

2.1. **The Portfolio Total Return Swap**

The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. This will be provided by the Approved Counterparty.

2.2. **The Funding Swap**

The Sub-Fund will purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty pursuant to the Funding Swap in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

"Funding Assets" will include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Portfolio. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below "investment grade" by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager. Funding Assets also include other collective investment schemes having similar investment objectives and policies to the Sub-Fund and ETFs, however, the Sub-Fund will not invest more than 10 per cent of its Net Asset Value in such schemes. The Investment Manager will determine which securities are included within the Funding Assets.

Funding Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be so listed or traded as they are permitted unlisted investments.

The Approved Counterparty will provide collateral to the Sub-Fund to ensure that the Sub-Fund's risk exposure to the Approved Counterparty does not exceed the level required by the Central Bank. The collateral will be in the form required by the Central Bank.

3. **THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY**

Morgan Stanley may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by the Morgan Stanley in implementing its hedging strategy (including costs and fees of the
Investment Manager in relation thereto) paid or reimbursed by Morgan Stanley will ultimately be borne by the Sub-Fund as costs under the terms of the Swap.

4. INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may, from time to time, impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

5. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS

**Swaps.** These include credit default swaps, interest rate swaps, total return swaps, swaptions and currency swaps. The “buyer” in a credit default 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 obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. A total return swap or a contract for differences is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. A swap is an option granting its owner the right but not the obligation to enter into an underlying swap. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency.

**Options.** Options may be traded over-the-counter or OTC options. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option.

**Futures and Options on Futures.** The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

**Forward Currency Exchange Contracts.** The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

6. INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is Ascend Capital, LLC. The Investment Manager is a Delaware limited liability company registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act 1940, as amended and with its principal place of business at 4 Orinda Way, Suite 200-C, Orinda, CA 94563, USA. As at September 30, 2013 the Investment Manager had approximately US$ 2.8 billion assets under management.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Fund and the Investment Manager dated 9 May 2011 (the “Agreement”) as amended and as may be further amended.
The Agreement provides that the Investment Manager shall be responsible for loss to the Fund to the extent such loss is due to negligence (whether through an act or omission), wilful default or fraud by itself, its directors, officers, servants, employees, agents and appointees. The Investment Manager shall also be liable to the Fund for contractual breach of the Agreement and for its tortious conduct, breach of fiduciary duty and any misrepresentation made by or on behalf of the Investment Manager to the Fund in connection with the Agreement. The Investment Manager shall indemnify and keep indemnified and hold harmless the Fund in the circumstances set out in the Agreement.

The Agreement shall continue in force until terminated pursuant to the Agreement. Either party may terminate the Agreement on giving not less than three months’ prior written notice (or such other period as may be agreed between the parties). The Agreement may be terminated at any time in the circumstances set out in the Agreement.

7. RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Agreement on giving not less than 90 days’ written notice at any time. The Agreement may also be terminated at any time in the circumstances set out in the Agreement.

8. BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

While the Sub-Fund will hold an unleveraged exposure to the Reference Portfolio (i.e. the Sub-Fund will not expose more than 100% of its Net Asset Value to the Reference Portfolio), investors should note that the Reference Portfolio itself will at times be leveraged, however, the Investment Manager does not intend leverage to be a material part of the Ascend Investment Strategy. The ratio of long and short investments (which will be primarily equity securities) may vary through time. Under normal market conditions, the Sub-Fund’s gross exposure will generally have a long term average of 150% to 180% and will never exceed 300% of the Net Asset Value of the Sub-Fund. However, in a volatile market environment, the Investment Manager may decrease the Sub-Fund’s gross exposure dramatically.

The Sub-Fund’s global exposure (which will include the leverage inherent in the Reference Portfolio, if any) is subject to an advanced risk management process. In compliance with the Regulations, the Sub-Fund’s risk management process aims to ensure that on any day the relative VaR of the Sub-Fund will not exceed 2 times the VaR of the Benchmark Index.

9. RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:
10.1. **Currency Risk**

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in US Dollars, Euros or Pounds Sterling into the USD, EUR or GBP denominated Share Classes respectively.

The EUR and GBP denominated Shares are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the section of the Prospectus entitled **Hedged Share Classes** for information on the currency risks associated with investment in those Share Classes.

Depending on an investor’s currency of reference, currency fluctuations between that currency and the base currency of the Sub-Fund may adversely affect the value of an investment in the Sub-Fund.

Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

10.2. **IPO Securities**

The Reference Portfolio and the Sub-Fund may purchase securities of companies in initial public offerings ("IPO securities") or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history.

10.3. **Market Capitalization Risk**

The Reference Portfolio will primarily invest in equity securities of companies with market capitalizations of greater than $500 million, however it may invest in certain companies regardless of the issuer's market capitalization. Such investments may include companies having smaller market capitalizations, such as mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.

10.4. **Dependence on Key Personnel**

The success of the Sub-Fund depends upon the financial and managerial expertise of Malcolm P. Fairbairn (Chief Investment Officer of the Investment Manager), to develop and implement investment strategies that achieve the Sub-Fund’s investment objective. If Mr. Fairbairn were to become unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

Mr. Fairbairn has significant business responsibilities in addition to those of the Sub-Fund, including, without limitation, serving as investment manager of the private investment funds affiliated with or managed by the Investment Manager.

10.5. **Performance Fee – No Equalisation**

The methodology used in calculating the performance fees in respect of the Sub-Fund may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the performance fee calculation).

11. **DIVIDEND POLICY**

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Class of Shares.

12. **KEY INFORMATION FOR PURCHASES AND SALES OF SHARES**
## Base Currency

USD

### Classes of Shares

Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription/Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>N/A</td>
<td>€1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class E USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>N/A</td>
<td>US$100,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$50,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class S USD Shares</td>
<td>USD</td>
<td>No</td>
<td>$1,000</td>
<td>$50,000,000</td>
<td>1.6%</td>
<td>20%</td>
<td>$5,000,000</td>
<td>50,000 Shares</td>
</tr>
<tr>
<td>Class S EUR Shares</td>
<td>EUR</td>
<td>Yes</td>
<td>€1,000</td>
<td>€50,000,000</td>
<td>1.6%</td>
<td>20%</td>
<td>€5,000,000</td>
<td>50,000 Shares</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription.
Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

Class E USD Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The EUR and GBP denominated Share Classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. The cost and fiscal results of any such currency hedging will be solely for the account of the relevant Shares. Investors in EUR and GBP denominated Share Classes are referred to the description and risks related to Currency Hedged Share Classes in the section of the Prospectus headed “Risk Factors”.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, following consultation with the Investment Manager, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period**

The Class I EUR Shares, the Class P USD Shares and the Class E USD Shares are issued at their Net Asset Value per Share on each Dealing Day.

As the Class I USD Shares, Class P EUR Shares, Class S EUR Shares, Class A USD Shares and Class I GBP Shares are Classes in the Fund previously launched and subsequently redeemed, these Share Classes are now available at the initial offer price set out in the table above from 9.00 a.m. (Irish time) on 24 July 2017 until 5.30 p.m. (Irish time) on 23 January 2018. Such offer period may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

The initial offer period for all Share Classes (other than those mentioned in the preceding two paragraphs and the Class S EUR Shares and Class S USD Shares) have been extended to 5:30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

The Initial Offer Period for the Class S EUR Shares and the Class S USD Shares will be from 9.00 am (Irish time) on 24 July 2017 until 5:00 pm (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

**Business Day**

Every day (except legal public holidays in the United Kingdom, Ireland or the U.S. or days on which the stock markets in London or New York are closed) during which banks in Ireland and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Friday (except legal public holidays in the United Kingdom, Ireland or the U.S. and days on which the stock markets in London or New York are closed) during which banks in Ireland, U.S and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

12 midday Irish time 3 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion, following consultation with the Investment Manager, and on an exceptional basis only, waive the Dealing Deadline provided that applications are received prior to the
Valuation Point for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

Settlement Date

In the case of subscriptions, within 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

Valuation Point

Close of business on the relevant Dealing Day in relevant markets.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day after the Dealing Deadline which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

13. CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class A EUR Shares, Class A USD Shares and Class A GBP Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P EUR Shares, Class P USD Shares and Class P GBP Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

The Sub-Fund may on any Dealing Day require a Shareholder to pay a charge for the exchange of Shares of a class of up to 3% of the total repurchase price of the Shares of the Original Class on that Dealing Day where the Shares of the Original Class are Class A EUR Shares, Class A USD Shares, or Class A GBP Shares.

No repurchase charge shall be payable in respect of the Shares.

Notwithstanding the provisions of the Prospectus, no anti-dilution levy will apply to any subscriptions or redemptions in respect of the Sub-Fund.

The provisions of the Prospectus in the section entitled “Repurchase of Shares”, which provide that where total requests for repurchase on any Dealing Day for a Sub-Fund exceed 10% of the total number of Shares in the Sub-Fund or 10% of the Net Asset Value of the Sub-Fund, the Directors may in their discretion refuse to redeem any Shares in excess of 10%, will not apply in the case of the Sub-Fund.

Management Charge

The Fund will pay to the Investment Manager from the assets attributable to each class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

1.5% per Class I EUR Share, Class I USD Share and Class I GBP Share (collectively the “Class I
1.5% per Class P EUR Share, Class P USD Share and Class P GBP Share (collectively the “Class P Shares”)

2.5% per Class A EUR Share, Class A USD Share and Class A GBP Share (collectively, the “Class A Shares”)

1.6% per Class S EUR Share and Class S USD Share (collectively the “Class S Shares”)

No management fee is payable in respect of the Class E USD Shares.

Performance Fee

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the “Performance Fee”) is payable to the Investment Manager, of a percentage of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”. “Payment Date” means the date at which the Performance Fee crystallised during a Calculation Period is paid. The Payment Date will be within 14 calendar days of the end of the relevant Calculation Period.

For the first Calculation Period the “High Water Mark Net Asset Value” means the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The initial offer price will be taken as the starting price for the calculation of the initial Performance Fee.

During each Calculation Period the High Water Mark Net Asset Value is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period. With regard to redemptions, by an amount equal to the percentage which such redemptions represent of the Net Asset Value on the relevant Dealing Day (ie, if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, by an amount equal to the value of the subscription.

For each subsequent Calculation Period for a Share Class, the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Performance Period; or (ii) where no Performance Fee was payable in respect of the prior Performance Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Performance Period.

The Performance Fee shall be equal to 20% for Class S, Class I, Class P and Class A Shares and 0% for Class E Shares of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fee accrued in the Fund in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value exceeds the High Water Mark Net Asset Value. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on or before the
Payment Date to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on a redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

It should be noted that as the Net Asset Value may differ between Classes, separate Performance Fee calculations will be carried out for separate Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.

Risk Management, Administrator's and Depositary's Fees

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee, which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

14. HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

15. HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

16. HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

17. ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

18. OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and
Expenses.
FundLogic Alternatives plc
Promoter and Distributor
Morgan Stanley & Co. International plc

Supplement dated 21 July 2017

for

MS LONG TERM TRENDS UCITS FUND

This Supplement contains specific information in relation to the MS Long Term Trends UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by FundLogic SAS (the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through investment in transferable securities, cash deposits and near cash instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Sub-Fund may invest substantially in deposits with credit institutions and investors should be aware of the difference between the nature of a deposit and the nature of an investment in the Sub-Fund, in particular investors should note that the principal invested in the Sub-Fund is capable of fluctuation.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
TABLE OF CONTENTS

1  INVESTMENT OBJECTIVE AND POLICIES.................................................................131
2  INVESTMENT RESTRICTIONS OF THE SUB-FUND.....................................................134
3  INVESTMENT MANAGER.........................................................................................134
4  RISK MANAGER........................................................................................................134
5  RISK FACTORS..........................................................................................................135
6  DIVIDEND POLICY ....................................................................................................137
7  KEY INFORMATION FOR PURCHASES AND SALES OF SHARES............................137
8  CHARGES AND EXPENSES......................................................................................140
9  HOW TO SUBSCRIBE FOR SHARES.......................................................................141
10 HOW TO SELL SHARES............................................................................................141
11 HOW TO EXCHANGE SHARES................................................................................141
12 ESTABLISHMENT CHARGES AND EXPENSES.......................................................141
13 OTHER CHARGES AND EXPENSES.......................................................................141
1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with returns based on (i) exposure to the Winton Diversified Program; (ii) investments in transferable securities and money market instruments issued by government issuers; and (iii) investments in cash deposits and cash equivalent securities as set out under the heading Investment Policy at 1.2 below. Due to investment in the instruments noted in the Investment Policy below, the Sub-Fund is likely to have a medium to high level of volatility.

Further information in respect of the Winton Diversified Program and the manner in which the Sub-Fund gains exposure to the Winton Diversified Program is set out in more detail under the heading Description of the Winton Diversified Program at 1.4 below.

1.2 Investment Policy

In order to achieve the Sub-Fund’s investment objective, the Investment Manager intends to invest the net proceeds of any issue of Shares in some or all of the instruments (each a “Fund Asset” and together the “Fund Assets”) set out below. Due to investment in the instruments noted below the Sub-Fund is likely to have a medium to high level of volatility.

(a) the Sub-Fund shall, in order to gain exposure to the Winton Diversified Program, invest in transferable securities in the form of structured financial instruments (“SFI”) selected by the Investment Manager. The SFI are a type of debt instrument which fall within the categorisation of ‘transferable securities’ as contemplated by the Regulations. The SFI shall provide the Sub-Fund with exposure to the Winton Diversified Program (see Description of the Winton Diversified Program at 1.4 below). The SFI shall be issued by special purpose vehicles (initially two or more such vehicles established in Jersey) whose share capital will be held by a charitable trust. The SFI shall be independently valued by a third-party administrator (initially Dominion Fund Administrators Limited) and shall be listed on one or more of the Markets set out in Appendix II of the Prospectus. The SFI shall provide exposure on a 1:1 basis to interests in a Delaware trading company which intends to employ an investment management strategy designed to track the returns of the Winton Diversified Program. The SFI shall not embed leverage or derivatives. The investment by the Sub-Fund in the SFI shall not exceed 20% of the Net Asset Value of the Sub-Fund. Morgan Stanley & Co. International plc (the “Promoter”), acting in its capacity as dealer for the SFI (the “Dealer”), shall commit to purchase the SFI from the Sub-Fund at their most recent net asset value as calculated by the third-party administrator in the absence of Market Disruption Events which give rise to the temporary suspension or termination of the Sub-Fund (further details of which are set out under the heading Market Disruption Events at 1.6 below), subject to receiving two Business Days’ prior notice from the Sub-Fund;

(b) collective investment schemes both UCITS and alternative investment funds in accordance with the requirements of the Regulations and the Central Bank. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such collective investment schemes;

(c) units or shares in closed-ended funds constituted as investment companies or as unit trusts, e.g. Delaware domiciled trading companies or unit trusts, which in accordance with the requirements of the Central Bank are deemed to be investments in transferrable securities. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such instruments;

(d) fixed income securities and money market instruments issued by government issuers which are listed, traded or dealt in on one or more of the Markets set out in Appendix II of the Prospectus. The fixed income securities and money market instruments in which the Sub-Fund may invest shall include (but not be limited to) treasury bills, fixed and floating rate bonds and zero coupon bonds that will be of investment grade or above. An investment in such fixed income securities and money market instruments may constitute up to 100% of the Net Asset Value of the Sub-Fund;

(e) cash deposits and near cash instruments for the purposes of cash management. Cash deposits shall include standard deposits such as bank certificates of deposit and bank deposits with credit institutions. An investment in cash deposits and near cash instruments may constitute up to 100% of the Net Asset Value of the Sub-Fund in the event that the Sub-Fund reduces its investment in SFI.
For example, the proportion of the Sub-Fund’s assets invested in cash deposits and near cash instruments is likely to be higher when the Investment Manager anticipates higher liquidity needs resulting from potential investor redemptions;

(f) financial derivative instruments (“FDI”) transactions, such as forward currency exchange contracts, currency futures, cross currency asset swaps or currency options for efficient portfolio management purposes. FDI can be used to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. See the section of the Prospectus headed Efficient Portfolio Management for more details in this regard; and

(g) transferable securities and money market instruments other than the securities referred to in paragraph (a) above such as unlisted securities. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such transferable securities and money market instruments.

1.3 Borrowing and Leverage

The Sub-Fund may invest up to 100% (or up to 110% on a temporary basis due to the Sub-Fund’s ability to borrow up to 10% of its net assets as further set out below) of the Net Asset Value of the Sub-Fund in Fund Assets as set out above. The Sub-Fund shall not have any short positions in Fund Assets except through the use of FDIs for the purposes of efficient portfolio management and currency hedging.

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of the Sub-Fund and the Fund may charge the Fund Assets as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund may engage in transactions in FDIs (including options, swaps, futures, forwards and foreign exchange transactions) for the purposes of efficient portfolio management and currency hedging within the conditions and limits laid down by the Central Bank from time to time. The level of leverage is expected to be minimal and will in any event not exceed 100% (or up to 110% on a temporary basis) of the Net Asset Value of the Sub-Fund. FDI used for efficient portfolio management and hedging are not expected to have a material effect on the risk profile of the Sub-Fund. The Sub-Fund will use the commitment approach to measure its global exposure, together with leverage, shall not exceed 100% (or up to 110% on a temporary basis) of its Net Asset Value.

The Sub-Fund may enter into repurchase and reverse repurchase agreements subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes, but will not enter into total return swaps or stock lending agreements. The Sub-Fund’s exposure to repurchase and reverse repurchase agreements is set out below (as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Repurchase Agreements / Reverse Repurchase Agreements</th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

1.4 Description of the Winton Diversified Program

As set out above, the Sub-Fund invests in Fund Assets which provide exposure to the Winton Diversified Program. The Winton Diversified Program in turn provides exposure to a selection of futures contracts in markets for currencies, fixed-income, equity indices and commodities selected by Winton Capital management (“Winton”) the entity that operates the Winton Diversified Program.

The Winton Diversified Program utilizes a systematic approach that blends short-term trading with long-term trend following, using multiple time frames and multiple models while allocating for maximum diversification. The Winton Diversified Program does not rely upon favourable conditions in any particular market, nor on market direction. The strategy seeks to combine highly liquid financial instruments offering generally low correlation over the long term to other markets such as equities and fixed income. The scope of markets that may be accessed by the Winton Diversified Program mainly includes stock indices, bonds, short-term interest rates, currencies, precious and base metals, grains, livestock, energy, and agricultural products.

The Winton Diversified Program tracks the daily price movements and other data such as market sentiment, trade volumes, inventory and company accounts from the markets it follows, and carries out certain
computations to determine each day how long or short the strategy should be to maximize profit within a certain range of risk. If rising prices are anticipated, a long position will be established; a short position will be established if prices are expected to fall. As a result of its statistical research, the Winton Diversified Program attempts to have each trade establish a slight statistical advantage leading to sustained profits over time.

1.5 Profile of a Typical Investor

The Sub-Fund is suitable for professional investors seeking capital growth who are prepared to accept a medium to high degree of volatility. The Sub-Fund may suit investors who are seeking to benefit from the potential diversification of the Winton Diversified Program. Typical investors are expected to be informed investors who understand and are willing to accept capital risk. Investors should have at least a 3 to 5-year investment horizon.

1.6 Market Disruption Events

A Market Disruption Event is the occurrence or existence of one or more of the following events, which occur in relation to any Fund Asset:

(i) it is not possible to obtain a price or value (or an element of such price or value) of any Fund Asset according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(ii) the calculation of the price or value of any Fund Asset is, at the relevant time, in the opinion of the Dealer in respect of SFI and/or the Investment Manager in relation to any Fund Asset impractical or impossible to make;

(iii) there is in connection with any Fund Assets (save for SFI) a (A) reduction in liquidity in or (B) materially increased cost of maintaining, establishing or unwinding any position in the determination of the Investment Manager;

(iv) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where any Fund Asset is traded; and/or there exists an event or circumstance that prevents or materially limits transactions in any Fund Asset. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Dealer in respect of SFI and in all other cases by the Investment Manager constitute a Market Disruption Event;

(v) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer in respect of SFI and in all other cases by the Investment Manager;

(vi) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Fund Asset into the Base Currency through customary legal channels, as determined by the Dealer in respect of SFI and in all other cases by the Investment Manager;

(vii) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Fund Asset to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Fund Asset between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer in respect of SFI and in all other cases by the Investment Manager;

(viii) a general moratorium is declared in respect of banking activities in London, Dublin or New York;

(ix) the occurrence of any early termination event or event of default or illegality affecting a Fund Asset or other breach of obligations by the issuer of a Fund Asset; and/or

(x) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or
any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affect the holding, acquisition, trading, transfer or hedging of a Fund Asset.

As set out above, upon the occurrence of a Market Disruption Event the Directors will temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or the Directors may, in certain circumstances, terminate the Sub-Fund.

3 INVESTMENT RESTRICTIONS OF THE SUB-FUND

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be either compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

4 INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office is at 61 Rue de Monceau, 75008 Paris, France. The Investment Manager is regulated by the Autorité des Marchés Financiers in France. As at 30 April 2017, FundLogic SAS had approximately $4.4 billion of assets under management.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010 as amended and as may be further amended (the “Agreement”).

Subject to controls imposed by the Directors under the Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager, its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Sub-Fund and/or the Fund.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 90 days’ prior written notice (or such other period as may be agreed between the parties).

5 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), the Promoter has agreed to provide certain sub-funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the sub-funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under the Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.
The Risk Management Agreement shall continue in force until terminated pursuant to the terms set out therein. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time.

6   RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

General Risks

- Currency Risk

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in USD, Euro, Pound Sterling, or Swiss Franc into the USD, EUR, GBP or CHF denominated Share Classes respectively.

The EUR, GBP and CHF denominated Shares are Hedged Share Classes. To the extent that Share Class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund’s underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share Classes.

Depending on a Shareholder’s currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

- Counterparty Risk

The Sub-Fund will purchase or enter into Fund Assets, including SFI, from several counterparties (not excluding the Promoter), which will expose the Sub-Fund to the issuer or credit risk of such counterparties and their ability to satisfy the terms of such contracts.

Risks and Investment Considerations Associated with the Winton Diversified Program and the Investment Manager

- The Sub-Fund may be exposed to Entities Which Use Margin Funding

The Sub-Fund shall obtain exposure to the Winton Diversified Program by investing (in accordance with the Investment Policy) in SFI and unlisted securities. Such instruments may provide the Sub-Fund with direct or indirect exposure to entities which use debt financing or trade on margin (i.e. borrowing against the assets purchased) to obtain an optimum return on their equity capital. The use of such techniques may therefore increase the volatility of the price of the SFI and unlisted securities and as a result may impact the returns of the Sub-Fund.

- Trading in Futures, Forwards and Options is Speculative and Volatile

The rapid fluctuations in the market prices of futures, forwards, and options make an investment in the Winton Diversified Program Strategy volatile. Volatility is caused by, among other things: changes in supply and demand relationships; weather; agriculture, trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates. The Winton Diversified Program may not take account of all of these factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and this intervention may cause these markets to move rapidly.

- Exposure to Commodities Involves Certain Risks
Indirect exposure to the commodities markets via investment in the SFI may subject the Sub-Fund to greater volatility than investments in traditional securities. The performance of the Winton Diversified Program may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

- **Markets or Positions May Be Correlated and May Expose the Sub-Fund to Significant Risk of Loss**

Different markets traded or individual positions may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. The Investment Manager cannot always predict correlation. Correlation may expose the Sub-Fund to significant risk of loss.

- **Increases in Assets Under Management Obtaining Exposure to the Winton Diversified Program Could Lead to Diminished Returns**

Winton does not intend to limit the amount of additional equity that it may manage, and it will continue to seek major new accounts which track the Winton Diversified Program. However, in general, the rates of returns often diminish as a trading advisor’s assets under management increase. This can occur for many reasons, including the inability to execute larger position sizes at desired prices and because of the need to adjust the Winton Diversified Program to avoid exceeding speculative position limits. These limits are established by the U.S. Commodity Futures Trading Commission and the exchanges on the number of speculative futures and options contracts in a commodity that one trader may own or control.

- **The Sub-Fund’s success is dependent on the performance of the Winton Diversified Program**

Therefore, the success of the Sub-Fund depends on the judgment and ability of Winton in selecting the futures contracts for the Winton Diversified Program. The Winton Diversified Program may not prove successful under all or any market conditions. If the Winton Diversified Program is unsuccessful, the Sub-Fund may incur losses.

The Sub-Fund’s objective is to provide Shareholders with returns based on the exposure to the Winton Diversified Program, as such the performance of Winton has an indirect impact on the Sub-Fund’s ability to meet its objective. Winton, in turn, is dependent on the services of a limited number of persons to develop and refine its trading approaches and strategies and execute the trading transactions. The loss of the services of any of the Winton’s principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on Winton’s ability to manage its trading activities successfully, or may cause Winton to cease operations entirely. This, in turn, could negatively impact the Sub-Fund’s performance.

- **The Sub-Fund Places Significant Reliance on the Relationships of the Sub-Fund with Third Parties**

The Sub-Fund is dependent on the services of independent third parties to obtain exposure to the Winton Diversified Program. The loss of the services of any such third parties, including any licence to use the Winton Diversified Program, may have an adverse effect on the Investment Manager’s ability to implement the Investment Policy of the Sub-Fund and achieve the Investment Objective of the Sub-Fund.

- **Exposure to Currencies Involves Certain Risks**

The Sub-Fund’s indirect exposure to foreign currencies subjects the Sub-Fund to currency risk. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the relevant countries. In addition, the Sub-Fund may incur transaction costs in connection with conversions between various currencies.

- **There Are Disadvantages to Making Trading Decisions Based on Technical Analysis**

The Winton Diversified Program will base trading decisions on mathematical analyses of technical factors relating to past market performance rather than fundamental analysis. The buy and sell signals generated by a technical, trend-following trading strategy are derived from a study of actual daily, weekly and monthly price fluctuations, volume variations and changes in open interest in the markets. The profitability of any technical, trend-following trading strategy depends upon the occurrence in the future of significant, sustained price moves in some of the markets traded. A danger for trend-following trading strategies is whip-saw markets, that is, markets in which a potential price trend may start to develop but reverses before an actual trend is realized. A pattern of false starts may generate repeated entry and exit signals in technical systems, resulting in
unprofitable transactions. In the past, there have been prolonged periods without sustained price moves. Presumably these periods will continue to occur. Periods without sustained price moves may produce substantial losses for the Winton Diversified Program. Further, any factor that may lessen the prospect of these types of moves in the future, such as increased governmental control of, or participation in, the relevant markets, may reduce the prospect that the Winton Diversified Program will be profitable in the future.

- **Limited Recourse**

A Shareholder will solely be entitled to look to the assets of the Sub-Fund in respect of all payments in respect of its Shares. If the realised net assets of the Sub-Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other sub-fund or any other asset of the Fund.

7 **DIVIDEND POLICY**

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Fund Assets and be reflected in the Net Asset Value of the relevant Class of Shares.

8 **KEY INFORMATION FOR PURCHASES AND SALES OF SHARES**

**Base Currency**

USD

**Classes of Shares**

Shares in the Sub-Fund will be available in different Classes as follows:
<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$100,000</td>
<td>1.35% per annum</td>
<td>$1,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€100,000</td>
<td>1.35% per annum</td>
<td>€1,000</td>
<td>€100,000</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£100,000</td>
<td>1.35% per annum</td>
<td>£1,000</td>
<td>£100,000</td>
</tr>
<tr>
<td>Class A CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF100,000</td>
<td>1.35% per annum</td>
<td>CHF1,000</td>
<td>CHF100,000</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>0.60% per annum</td>
<td>$10,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.60% per annum</td>
<td>€10,000</td>
<td>€1,000,000</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.60% per annum</td>
<td>£10,000</td>
<td>£1,000,000</td>
</tr>
<tr>
<td>Class I CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>0.60% per annum</td>
<td>CHF10,000</td>
<td>CHF1,000,000</td>
</tr>
<tr>
<td>Class B USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>0.30% per annum</td>
<td>$10,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Class B EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.30% per annum</td>
<td>€10,000</td>
<td>€1,000,000</td>
</tr>
<tr>
<td>Class B GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.30% per annum</td>
<td>£10,000</td>
<td>£1,000,000</td>
</tr>
<tr>
<td>Class B CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>0.30% per annum</td>
<td>CHF10,000</td>
<td>CHF1,000,000</td>
</tr>
<tr>
<td>Class E USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$100,000</td>
<td>N/A</td>
<td>$1,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Class E EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€100,000</td>
<td>N/A</td>
<td>€1,000</td>
<td>€100,000</td>
</tr>
</tbody>
</table>
The minimum amounts set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate) either generally or in relation to any specific subscription or repurchase. Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Sub-Fund has the power to redeem the remaining holding of any Shareholder who redeems its holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class B EUR Shares, Class B USD Shares, Class B GBP Shares and Class B CHF Shares will be the initial investor share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach USD 100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

Class E USD Shares and Class E EUR Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The EUR, GBP and CHF denominated Share Classes are Hedged Share Classes. In respect of the Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency and the currency in which the relevant Currency Hedged Share Class is denominated. Shareholders in EUR, GBP and CHF denominated Share Classes are referred to the description and risks related to Hedged Share Classes in the section of the Prospectus headed Risk Factors. All hedging transactions will be clearly attributable to the specific Hedged Share Class(es) and therefore currency exposures of different Share Classes shall not be combined or offset and currency exposures of assets of the Sub-Fund shall not be allocated to separate Share classes.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

**Initial Offer Period for each Share Class**

Class A USD, Class A CHF, Class A EUR, Class B USD, Class B CHF, Class B EUR, Class B GBP and Class E EUR Shares in the Fund are available at their Net Asset Value per Share on each Dealing Day.

As the E USD Share Class in the Fund was previously launched and then subsequently redeemed, this Share Class is now available at the initial offer price set out in the table above from 9.00 a.m. (Irish time) on 24 July 2017 until 5.30 p.m. (Irish time) on 23 January 2018. Such offer period may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

The initial offer period for all Share Classes other than those mentioned in the preceding two paragraphs has been extended from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) 23 January 2018 (the “Initial Offer Period”) as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

**Business Day**

Every day (except legal public holidays in the United Kingdom, Ireland, France or the United States of America and days on which the stock markets in London, Dublin, Paris or the United States of America are closed) during which banks in Ireland, France, the United Kingdom and the United States of America are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Friday that is a Business Day and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

12 midday Irish time 3 Business Days prior to the relevant Dealing Day.
The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions, 12 midday Irish time one Business Day prior to the relevant Dealing Day.

In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

**Valuation Point**

Close of business on the relevant Dealing Day in the relevant markets.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

9 **CHARGES AND EXPENSES**

**Initial, Exchange and Repurchase Charges**

With respect to Class A Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or any intermediary, who has the discretion to waive or rebate such charge.

No repurchase charge shall be payable in respect of the Shares.

The Sub-Fund may also impose an anti-dilution levy or adjustment on net subscriptions or repurchases of Shares as further described in the section of the Prospectus entitled *Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets*.

**Management Charge**

The Fund will pay to the Investment Manager from the assets attributable to each Class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

In respect of the Class I Shares: 0.60% per annum.

In respect of the Class A Shares: 1.35% per annum.

In respect of the Class B Shares: 0.30% per annum.

No management fee is payable in respect of the Class E USD Shares and Class E EUR Shares.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the management charge. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

**Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.
Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the Fund Assets or, if paid by the Depositary, shall be reimbursed to the Depositary out of the Fund Assets.

**Ongoing Charges and Expenses**

The additional charges and expenses specified in the section entitled *Ongoing Charges and Expenses* in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the Fund Assets. The Investment Manager will be responsible for discharging the fees of the Distributor and any licensing fees out of its own fees.

**Indirect Charges:**

The Sub-Fund will incur additional charges associated with obtaining exposure to the Winton Diversified Program. Such indirect charges include, for example and without limitation, fees and expenses of the Delaware trading company which acts as the underlying asset of the SFI which the Sub-Fund invests in and a management fee and a performance fee for Winton, the trading advisor of the Delaware trading company. Such indirect charges shall accrue on a daily basis and not exceed 2.00% of the Net Asset Value of the Sub-Fund per annum and 20% of the trading profits of the Delaware trading company. These indirect charges are not deducted from the Sub-Fund assets; rather they will reduce the returns the Sub-Fund receives from its investment in the SFI.

10 **HOW TO SUBSCRIBE FOR SHARES**

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled *Applications for Shares* in the Prospectus.

11 **HOW TO SELL SHARES**

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled *Repurchase of Shares* in the Prospectus.

12 **HOW TO EXCHANGE SHARES**

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled *Exchange of Shares* in the Prospectus.

13 **ESTABLISHMENT CHARGES AND EXPENSES**

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

14 **OTHER CHARGES AND EXPENSES**

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings *Management Charges and Expenses* and *General Charges and Expenses*. 
FundLogic Alternatives plc
Promoter and Distributor
Morgan Stanley & Co. International plc

Supplement dated 21 July 2017

for

MS SWISS LIFE MULTI ASSET PROTECTED FUND

This Supplement contains specific information in relation to the MS Swiss Life Multi Asset Protected Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by FundLogic SAS (the “Investment Manager”). The Investment Manager has appointed Swiss Life Asset Management AG to act as sub-investment manager to the Sub-Fund (“Swiss Life” or the “Sub-Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure may be effected through financial derivative instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INVESTMENT OBJECTIVE AND POLICIES</td>
<td>144</td>
</tr>
<tr>
<td>APPROVED COUNTERPART</td>
<td>148</td>
</tr>
<tr>
<td>UNFUNDED TOTAL RETURN SWAPS</td>
<td>148</td>
</tr>
<tr>
<td>HEDGING STRATEGY</td>
<td>149</td>
</tr>
<tr>
<td>INVESTMENT RESTRICTIONS OF THE PORTFOLIO</td>
<td>149</td>
</tr>
<tr>
<td>INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE REFERENCE BASKET</td>
<td>149</td>
</tr>
<tr>
<td>INVESTMENT MANAGER</td>
<td>150</td>
</tr>
<tr>
<td>SUB-INVESTMENT MANAGER</td>
<td>150</td>
</tr>
<tr>
<td>SUB-CUSTODIAN</td>
<td>151</td>
</tr>
<tr>
<td>RISK MANAGER</td>
<td>151</td>
</tr>
<tr>
<td>BORROWING AND LEVERAGE</td>
<td>151</td>
</tr>
<tr>
<td>RISK FACTORS</td>
<td>152</td>
</tr>
<tr>
<td>DIVIDEND POLICY</td>
<td>153</td>
</tr>
<tr>
<td>KEY INFORMATION FOR PURCHASES AND SALES OF SHARES</td>
<td>153</td>
</tr>
<tr>
<td>CHARGES AND EXPENSES</td>
<td>155</td>
</tr>
<tr>
<td>HOW TO SUBSCRIBE FOR SHARES</td>
<td>155</td>
</tr>
<tr>
<td>HOW TO SELL SHARES</td>
<td>15</td>
</tr>
<tr>
<td>HOW TO EXCHANGE SHARES</td>
<td>156</td>
</tr>
<tr>
<td>ESTABLISHMENT CHARGES AND EXPENSES</td>
<td>156</td>
</tr>
<tr>
<td>OTHER CHARGES AND EXPENSES</td>
<td>156</td>
</tr>
</tbody>
</table>
1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with long term exposure to the performance of the Portfolio Basket with 80% of the highest NAV (from the launch of the Sub-Fund onwards) being protected as a minimum exit Net Asset Value (the “Minimum Target Payoff”).

1.2 Investment Policy

The portfolio basket (the “Portfolio Basket”) consists of a basket of securities and other assets as set out below whose composition is determined from time to time by the Sub-Investment Manager (the “Reference Basket”) and exposure to an effective overnight interest rate for the Swiss Franc (the “Cash Component”) – allocated in accordance with a volatility target strategy as set out under “Volatility Control Mechanism” below – with 80% of the highest NAV (from the launch of the Sub-Fund onwards) being protected as a minimum exit Net Asset Value. The overnight interest rate used for the Cash Component will be the Tomnext Overnight Indexed Swap Rate for Swiss Franc minus a fixed spread. The Sub-Fund will gain exposure to the Reference Basket and the Cash Component through an unfunded total return swap with the Approved Counterparty.

The Reference Basket consists of a portfolio with exposure to the asset classes of fixed income, equities, commodities, foreign exchange and volatility strategies, without any particular geographical or industry focus. The Reference Basket will obtain exposure to such asset classes in the following manner:

(a) Fixed Income

(i) Direct investment in fixed income securities, such as bonds and money market instruments, which are issued by corporate or government issuers (including those located in emerging markets), which are fixed or floating rate, rated investment grade or below investment grade or unrated and listed or traded on the Markets referred to in Appendix II of the Prospectus;

(ii) Indirect investment of up to 100% of the Reference Basket in aggregate through regulated investment funds (including ETFs) with exposure to fixed income securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference direct or indirect fixed income investments set out in (i) and (ii) above or eligible indices which are comprised of fixed income investments set out in (i) above.

(b) Equities

(i) Direct investment in equity securities which are issued by corporate issuers (including those located in emerging markets), which are listed or traded on the Markets referred to in Appendix II of the Prospectus;

(ii) Indirect investment of up to 50% of the Reference Basket in aggregate through regulated investment funds (including ETFs) with exposure to equity securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps and options (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference direct or indirect equities investments set out in (i) and (ii) above or eligible indices which are comprised of equity investments set out in (i) above.

(c) Commodities

(i) Indirect investment through exchange traded certificates which are transferable securities providing indirect unleveraged exposure to commodities, which do not embed a derivative and are listed or traded on the Markets referred to in Appendix II of the Prospectus;
(ii) Indirect investment of up to 15% of the Reference Basket in aggregate through regulated investment funds (including ETFs) which seek to track UCITS eligible financial indices with exposure to commodities which are cleared by the Central Bank of Ireland or invest in securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS;

(iii) Total return swaps (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference indirect commodity investments set out in (i) and (ii) above or UCITS eligible finance indices with exposure to commodities which are cleared by the Central Bank of Ireland.

(d) Foreign Exchange

(i) Direct investment in foreign exchange through money market instruments, such as cash deposits and near cash instruments, such as certificates of deposits, commercial papers and short term bonds, denominated in foreign currencies, which are listed or traded on the Markets referred to in Appendix II of the Prospectus and deposits;

(ii) Indirect investment of up to 15% of the Reference Basket in aggregate through regulated investment funds (including ETFs) with exposure to foreign exchange rates or currencies or money market instruments set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds equivalent to UCITS; and

(iii) Swaps, Options, Futures and Options on Futures, Forward Currency Exchange Contracts and Forward Interest Rate Contracts (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference foreign exchange rates or currencies, direct or indirect foreign exchange investments set out in (i) and (ii) above or eligible indices with exposure to foreign exchange rates or currencies.

(e) Volatility Strategies

The Reference Basket may obtain exposure to different volatility strategies as determined by the Sub-Investment Manager, including (A) long volatility strategy, (B) short volatility strategy and (B) volatility arbitrage strategy.

(A) Long volatility strategy involves investing in Financial Derivatives Instruments (such as buying equity options or long swaps on volatility indices) which go up in value when volatility in the equity markets increases. This may be used to hedge exposure to equities in the Reference Basket as volatility often increases when the equity markets decline in value.

(B) Short volatility strategy involves investing in Financial Derivatives Instruments (such as selling equity options or short swaps on volatility indices) which provide an upfront payment but decline in value when the volatility in the equity markets increases. This may be used to generate an income in the Reference Basket if volatility in the equity markets is not anticipated to increase.

(C) Volatility arbitrage strategy involves investing in different Financial Derivatives Instruments (such as variance swaps) which may go up or down in value depending on the implied and/or realised volatility in the equity markets over different time periods. This may be used to capture the price difference between implied and realised volatility over different time periods and generate an arbitrage profit for the Reference Basket.

The Reference Basket will obtain exposure to volatility strategies in the following manner:

(i) Indirect investment of up to 15% of the Reference Basket in aggregate through regulated investment funds (including ETFs) with exposure to volatility strategies which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds equivalent to UCITS; and

(ii) Swaps and options (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference equity indices, indirect volatility strategy investments set out in (i) above or eligible indices with exposure to volatility strategies.
The Sub-Investment Manager shall determine the allocation to the constituents of the Reference Basket on a discretionary basis, subject to a minimum allocation of 50% to fixed income, maximum allocation of 50% to equities and maximum of 15% to commodities, foreign exchange and volatility strategies in aggregate. The asset allocation process takes into account expected return potentials as well as volatilities and correlations as between asset classes. The Sub-Investment Manager strives for a broad diversification while being reactive to changing market conditions. The aggregate net exposure of the constituents of the Reference Basket, as measured using the commitment approach, shall not exceed 100% of the net asset value of the Reference Basket. The Reference Basket will not have any short exposure.

The Sub-Fund may invest in ancillary liquid assets which may include bank deposits, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes or enter into Financing Swaps and repurchase / reverse repurchase arrangements (subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes).

The Sub-Fund will buy a put option linked to the Portfolio Basket and Net Asset Value of the Sub-Fund (the “Put Option”) from the Approved Counterparty (paying an amount equal to the Minimum Target Payoff less the value of Portfolio Basket (if positive). The purpose of the Put Option is to offer an element of capital protection equal to 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards (ie, commencing with the initial offer price). The Sub-Fund will pay a premium for the Put Option at normal commercial rates.

The Sub-Fund and the Portfolio will only utilise those derivatives that are listed in the risk management process in respect of the Sub-Fund and that have been cleared by the Central Bank as detailed in section 6 “Information on Financial Derivative Instruments”.

Volatility Control Mechanism

The Investment Manager rebalances the exposure to overnight interest rates and the Reference Basket through the Portfolio Total Return Swap (as further described below) on the basis of certain volatility rules summarised herein. The strategy seeks to control the volatility risk of the Portfolio Basket by reducing the allocation to the Reference Basket if and when the realised volatility of the Reference Basket as observed for certain periods increases. As the realised volatility of the Reference Basket increases, the exposure to the Reference Basket is adjusted downwards to a minimum of 0% and the corresponding exposure to overnight interest rates is adjusted upwards to a maximum of 100%, such that the anticipated realised volatility of the Portfolio Basket within the observed periods is consistent with the volatility budget. The volatility budget of the Portfolio Basket is 5% over the term of the Portfolio Total Return Swap.

Unfunded Total Return Swaps and Reverse Repurchase Transaction

Pursuant to the investment objective of the Sub-Fund, the Sub-Fund will enter into an unfunded total return swap (the “Portfolio Total Return Swap”) through which it is exposed to the economic performance of the Portfolio Basket as described above. In return, the Sub-Fund will pay a floating rate of return to the Approved Counterparty (as defined below).

In order to obtain the floating rate of return, the Sub-Fund expects (i) to invest in Financing Assets (as defined below) and pay the performance of such Financing Assets (as defined below) to the Approved Counterparty under an unfunded total return swap (the “Financing Swap”) in exchange for the floating rate return being received by the Sub-Fund from the Approved Counterparty and (ii) to enter into reverse repurchase agreements with the Approved Counterparty for efficient portfolio management purposes (which will generate a floating rate of return as well). The floating rate of return (generated through both the Financing Swap and the reverse repurchase agreement) shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

The performance of the Sub-Fund will primarily be determined by the performance of the Portfolio Basket. Please see section 3 “Unfunded Total Return Swaps” for more detail.

If the Portfolio Total Return Swap is terminated prior to the termination of the Guarantee and subject to the prior approval of Shareholders of the Sub-Fund, the Sub-Fund will terminate the reverse repurchase agreement and will invest the proceeds from the reverse repurchase agreement and all other cash proceeds in the Sub-Fund exclusively into Financing Assets and will enter into a Financing Swap or into
a new reverse repurchase agreement (the “Successor Transaction”).

The maturity date of the Successor Transaction will be the earlier of the expiry date of the Put Option or the first anniversary of the trade date of the Successor Transaction. The Sub-Fund will be terminated after the termination of the Successor Transaction.

The Sub-Fund’s exposure to securities financing transactions (repurchase / reverse repurchase agreements and total return swaps) is as set out below (in each case as a percentage of Net Asset Value). The Sub-Fund will not enter into stock lending arrangements.

<table>
<thead>
<tr>
<th>Total Return Swaps</th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the Portfolio Basket.

Minimum Target Payoff and Guarantee

The Sub-Fund will offer an element of capital protection equal to 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards (ie, commencing with the initial offer price). This capital protection will be achieved through (i) the Put Option linked to the Portfolio Basket and Net Asset Value of the Sub-Fund which the Sub-Fund will purchase from the Approved Counterparty (paying an amount equal to the Minimum Target Payoff less the value of Portfolio Basket (if positive); and (ii) a legally enforceable guarantee (the “Guarantee”) from Morgan Stanley & Co. International plc (“MSIP” or the “Guarantor”) under which the Guarantor will pay an amount equal to the Minimum Target Payoff less the Net Asset Value of the Sub-Fund (if positive). The Guarantor is not entitled to receive any fees from the Sub-Fund in respect of the Guarantee. The Put Option will deliver the Minimum Target Payoff as, when exercised, the Approved Counterparty will make a payment to the Sub-Fund equal to that amount less the value of the Portfolio Basket (if positive).

The initial term of both the Guarantee and the Put Option is three years, but the Sub-Fund will endeavour to extend the Guarantee, the Put Option and the Portfolio Total Return Swap at least every year. The Sub-Fund will reserve part of the proceeds received from the Portfolio Total Return Swap for paying the premium in relation to the extension of the Put Option and the Portfolio Total Return Swap and / or for increasing the allocation to the Reference Basket within the Portfolio Basket.

MSIP is a public company incorporated with limited liability under the laws of England and Wales whose registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA. MSIP is an indirect wholly owned subsidiary of Morgan Stanley. The principal activity of MSIP is the provision of financial services to corporations, governments, financial institutions and individual investors. It is authorised and regulated by the U.K. Financial Conduct Authority. The share capital of MSIP is 9,464 Millions USD and the book value is 13,478 Millions USD as of 31 December 2011.

Termination Date

The Sub-Fund will terminate on the Business Day following the termination of either the Guarantee or the Put Option. The initial term of both the Guarantee and the Put Option is three years (subject to the Early Termination provision below in relation to the Guarantee), but the Sub-Fund will endeavour to extend the maturity of the Guarantee and Put Option at least once a year. If either of the Guarantee or the Put Option can no longer be extended, the Shareholders will be informed about the expected termination date of the Guarantee or the Put Option and about the expected termination date of the Sub-Fund (at least 6 months prior to such termination dates).

Early Termination

The Guarantor may early terminate the Guarantee if (a) the Guarantee no longer complies with laws and regulations which are relevant for providing guarantees to UCITS funds; (b) the Guarantor no longer has
the authorisation to provide the Guarantee; or (c) upon the termination of both the Portfolio Total Return Swap and the Successor Swap Transaction.

In the event of Early Termination, MSIP will pay the amounts described above in relation to the Put Option and the Guarantee.

1.3 Profile of a Typical Investor
Investment in the Sub-Fund is suitable for investors seeking a medium-term appreciation of capital, with the potential for a longer-term investment horizon. Shares in the Sub-Fund will be available to both retail and institutional investors.

2 APPROVED COUNTERPARTY
MSIP is the sole approved counterparty for all off exchange derivatives and the repurchase agreement (the “Approved Counterparty”).

3 UNFUNDED TOTAL RETURN SWAPS

The Sub-Fund may use, as described in 1.2 above, two total return swaps, the Portfolio Total Return Swap and the Financing Swap (as defined above) (together, the “Swaps”).

There are two strategic components to the Swaps: (1) to gain exposure to the economic performance of the Portfolio Basket; and (2) to hedge the market risk in the “Financing Assets” (as described below) to the Approved Counterparty.

It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Financing Assets other than in the event of a default by the Approved Counterparty under the terms of the Financing Swap.

3.1 The Portfolio Total Return Swap
The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Portfolio Basket in exchange for a floating rate of return being paid by the Sub-Fund.

3.2 The Financing Swap
The Sub-Fund will purchase Financing Assets (as defined below) and transfer the economic interest in such Financing Assets (as defined below) to the Approved Counterparty pursuant to the Financing Swap in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

“Financing Assets” will include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Basket. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below “investment grade” by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager. They may also include (without aggregate limits) UCITS-eligible regulated investment funds (including money market funds and ETFs) domiciled in the EEA, Jersey, Guernsey, the Isle of Man, or the United States, with a maximum management fee of 5% of any such fund’s net assets. Such investment funds will be UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS which will deliver exposure to the asset classes of fixed income, equities, commodities (by tracking UCITS eligible financial indices with exposure to commodities which are cleared by the Central Bank of Ireland or invest in exchange traded certificates as set out in section 1.2(c)(i) above), foreign exchange and volatility strategies (without any minimum or maximum allocation limits for each asset class).
Financing Assets may have unlimited exposure to emerging market and sub investment grade assets.

Financing Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be listed or traded as they are permitted unlisted investments.

The Approved Counterparty may provide collateral to the Sub-Fund so that the Sub-Fund's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank as set out under section 6 below.

The Sub-Fund may not enter into fully funded swaps.

4 HEDGING STRATEGY

MSIP may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by MSIP in implementing its hedging strategy (including costs and fees of the Investment Manager in relation thereto) paid or reimbursed by MSIP may ultimately be borne by the Sub-Fund as costs, at normal commercial rates, under the terms of the Swap.

5 INVESTMENT RESTRICTIONS OF THE PORTFOLIO

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

6 INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE REFERENCE BASKET

The following types of Financial Derivative Instruments will be used within the Reference Basket to obtain exposure to the asset classes of fixed income, equities, commodities, foreign exchange and volatility strategies as set out in more detail in section 1.2 “Investment Policy” above.

Swaps. These include credit default swaps, interest rate swaps, total return swaps, swaptions, variance swaps and currency swaps. The “buyer” in a credit default 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. A seller receives a fixed rate of income throughout the term of the contract. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of swaps or swaptions can be single name securities, indexes, custom baskets of securities, interest rates or currencies. The underlying reference assets of credit default swaps can be corporate debt obligations, sovereign debt, CMBS or RMBS. A swaption is an option granting its owner the right but not the obligation to enter into an underlying swap. A variance swap is a contract that allows one party to gain exposure to the variance (squared volatility) of an underlying asset and, in particular, to trade future realized (or historical) volatility against current implied volatility. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency.

Options. Options may be exchange traded or traded over-the-counter options and may have single name securities, indexes, custom baskets of securities, futures or eligible investment funds as underlying reference assets. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference assets at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.
Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. Purchase and sell of currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Forward Interest Rate Contracts. Interest rate forward purchase or sale contracts under which the interest differential between the contract rate and the market interest rate on a future settlement date on the notional principal is paid or received. These are OTC instruments that are used to hedge future interest rate exposure associated with fixed income or other interest rate-sensitive investments such as real estate-related securities.

INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France.

The Investment Manager is regulated by the Autorité des Marchés Financiers in France. As at 30 April 2017, FundLogic SAS had approximately $4.4 billion of assets under management.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an amendment to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010 as amended on 30 April 2013 (and as may be further amended)(the “Agreement”).

Subject to controls imposed by the Directors under the Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager, its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Sub-Fund and/or the Fund.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 90 days’ prior written notice (or such other period as may be agreed between the parties).

SUB-INVESTMENT MANAGER

Swiss Life Asset Management AG., Zurich, was incorporated pursuant to the laws of Switzerland and is an indirect subsidiary of Swiss Life AG. The main business of Swiss Life Asset Management AG. is to provide discretionary investment management. Swiss Life Asset Management is regulated by the Swiss Financial Market Supervisory Authority FINMA.

The Investment Manager has appointed the Sub-Investment Manager, pursuant to the sub-investment management agreement between the Investment Manager and the Sub-Investment Manager dated 30 April 2013 (the “Sub-Investment Management Agreement”), to provide the Investment Manager with discretionary investment management services in relation to the investments in the Reference Basket.

The Sub-Investment Manager shall be responsible for loss to the Investment Manager and the Fund to the extent such loss is due to negligence, wilful default or fraud by itself, its directors, officers, servants,
employees, agents and appointees or for its bad faith, recklessness, breach of fiduciary duty and any misrepresentation made by or on behalf of the Sub-Investment Manager.

The Sub-Investment Management Agreement may be terminated by either the Investment Manager or the Sub-Investment Manager on giving not less than 3 months prior written notice (or such other period as may be agreed between the parties) to the other party.

SUB-CUSTODIAN

Pursuant to an agreement dated 3 May 2013 (the “Sub-Custody Agreement”), the Depositary has appointed MSIP as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSIP may in such capacity hold certain assets of the Sub-Fund from time to time. MSIP is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and which is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days' written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless MSI plc’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to the Depositary or any of its affiliates.

RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), MSIP (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days' written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund may be leveraged through the use of FDI.
In accordance with the requirements of the Central Bank, the global exposure generated through the use of derivatives, as measured using the commitment approach, will be limited to 100% of the Net Asset Value. The maximum leverage of the Sub-Fund, as measured by the commitment approach, will not exceed 100% of Net Asset Value of the Sub-Fund.

The net exposure of the Sub-Fund to the Portfolio Basket, as measured using the commitment approach, shall not exceed 100% of the net asset value of the Sub-Fund.

The aggregate net exposure of the constituents of the Reference Basket, as measured using the commitment approach, shall not exceed 100% of the net asset value of the Reference Basket.

12 RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI or repo that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

No Exposure to Reference Basket

Based on the volatility strategy, there is a risk that there is no exposure to the Reference Basket for certain periods. In this case, Shareholders will be exposed to overnight interest rates which might be negative.

Guarantee Extension and Early Termination of Guarantee

No assurance can be given that the Guarantee will be extended. There is a risk that the Guarantee is terminated early.

Guarantee and Minimum Target Payoff

The Sub-Fund aims to provide an element of capital protection, however, this will be dependent on the solvency of the Approved Counterparty and Guarantor.

Investors should note that the Minimum Target Payoff and guarantee do not provide complete capital protection and only aim to provide a payment equal to a minimum of 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards. It is important to note that, while a repurchasing Shareholder will receive an amount equal to the Net Asset Value per Share on redemption, each Share may benefit from limited capital protection only, regardless of the Net Asset Value per Share at which such Share was purchased by the Shareholder.

Active Management Risk

The Sub-Investment Manager manages the Reference Basket and so the success of the Sub-Fund depends, among other things, upon the ability of the Sub-Investment Manager to manage the asset allocation within the Reference Basket. No assurance can be given that the Sub-Investment Manager will be successful in managing the Reference Basket. Moreover, decisions made by the Sub-Investment Manager may cause the Sub-Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Additionally, the management of the Reference Basket will result in brokerage and other transaction costs to which the Sub-Fund will be indirectly exposed. Shareholders
will have no right or power to participate in the day-to-day management or control of the business of the Sub-Fund, nor an opportunity to evaluate the determination of (and any changes to) the specific strategies used, or investments made, by the Sub-Investment Manager within the Reference Basket or the terms of any such investment.

**Impact of the valuation of Off Exchange Derivatives on the Net Asset Value of the Sub-Fund**

The Sub-Fund invests in complex derivatives (eg, the Financing Swap and the Portfolio Total Return Swap) whose valuation depends on multiple market parameters. Thus, Shareholders will not be able to derive the Net Asset Value of the Sub-Fund from an increase of the level of the Reference Basket alone.

**Guarantee and Minimum Target Payoff**

Investors should note that MSIP acts as both Guarantor and as Approved Counterparty to the Put Option and that in the event that MSIP became insolvent both forms of capital protection (the Guarantee and the Put Option) might fail.

**Depositary/MSIP Insolvency**

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the Depositary and/or MSIP in its capacity as sub-custodian. These risks include without limitation: the loss of all cash which the Depositary and/or MSIP has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust which have not been properly segregated and so identified both at the level of the Depositary and/or MSIP ("trust assets") or client money held by or with the Depositary and/or MSIP in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary and/or MSIP; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

13 **DIVIDEND POLICY**

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Class of Shares.

14 **KEY INFORMATION FOR PURCHASES AND SALES OF SHARES**

**Base Currency**

CHF

**Classes of Shares**

Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Minimum Subsequent Subscription/Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>CHF</td>
<td>CHF100</td>
<td>CHF100</td>
<td>0.75%</td>
<td>CHF100</td>
<td>N/A</td>
</tr>
</tbody>
</table>

139
The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

The Class A CHF Share Class is issued at its Net Asset Value per Share on each Dealing Day.

**Business Day**

Every day (except legal public holidays in New York, Zurich, London, Paris or Dublin or days on which the stock markets in New York, Zurich, Paris, Dublin and/or in London are closed) during which banks in New York, Zurich, Paris, Dublin and London are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders. The 24th and the 31st December are deemed public holidays for the purpose of this Supplement.

**Dealing Day**

Every Business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

5 PM Irish time 2 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

**Settlement Date**

In the case of subscriptions, by 12 Noon Irish time, 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 4 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

Close of business on the relevant Dealing Day.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.
CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class A CHF Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 4% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

The Sub-Fund may also impose an anti-dilution levy or adjustment on issue of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets.

The sum of any applicable initial charge and anti-dilution levy or adjustment on an issue of Shares shall not be more than 5% of the issue price of such Shares on that Dealing Day.

Management Charge

The Fund will pay (i) up to 0.15% per annum to the Investment Manager and (ii) up to 0.60% per annum to the Sub Investment Manager from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid quarterly in arrears.

Risk Management, Administrator's and Depositary's Fees

The Promoter will, inter alia, pay the fees and expenses of the Risk Manager, the Administrator and the Depositary which are not covered by the management charge payable to the Investment Manager.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents' charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

The Directors reserve the right to reject in whole or part any subscription at their sole discretion, but in particular may do so where the Approved Counterparty is unwilling to agree to an equivalent increase in the notional of the Portfolio Total Return Swap or the Put Option.

HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.
18 HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

19 ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

20 OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.
FundLogic Alternatives p.l.c.
Promoter and Distributor
Morgan Stanley & Co. International plc

Supplement dated 21 July 2017
For
MS DALTON ASIA PACIFIC UCITS FUND

This Supplement contains specific information in relation to the MS Dalton Asia Pacific UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives p.l.c. (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by Dalton Investments LLC (“Dalton” or the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Fund may invest principally through financial derivative instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
1. INVESTMENT OBJECTIVE AND STRATEGY .................................................................159
2. INVESTMENT RESTRICTIONS .............................................................................162
3. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS ..................162
4. INVESTMENT MANAGER ..................................................................................163
5. SUB-CUSTODIAN ...............................................................................................163
6. SERVICE PROVIDER ..........................................................................................164
7. RISK MANAGER ................................................................................................164
8. BORROWING AND LEVERAGE .........................................................................164
9. RISK FACTORS ..................................................................................................165
10. DIVIDEND POLICY ............................................................................................170
11. KEY INFORMATION FOR PURCHASING AND SELLING ....................................170
12. CHARGES AND EXPENSES ............................................................................172
13. HOW TO SUBSCRIBE FOR SHARES ...............................................................175
14. HOW TO REPURCHASE SHARES .....................................................................175
15. HOW TO EXCHANGE SHARES ........................................................................175
16. ESTABLISHMENT CHARGES AND EXPENSES .............................................175
17. OTHER CHARGES AND EXPENSES ...............................................................175
18. OTHER INFORMATION ......................................................................................175
1. **INVESTMENT OBJECTIVE AND STRATEGY**

**Investment Objective**

The Sub-Fund’s investment objective is to seek long term capital appreciation through a diversified portfolio of long and short positions in equity and equity related securities (as described below) with a primary focus on the Asia Pacific region. The Sub-Fund seeks to generate absolute returns and relative returns in excess of MSCI Daily Total Return Net AC (All Country) Asia Pacific Index (Bloomberg ticker NDUEACAP) (the “Index”). The Index is a capitalization-weighted price index that measures the performance of stock markets in 15 Pacific region countries, including Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand.

**Investment Policy**

The Sub-Fund will seek to achieve its investment objective by taking long and short positions primarily in equities and equity related securities (including, without limitation, common and preferred stock and American Depositary Receipts (“ADRs”)) listed or traded on recognised markets in the Asia Pacific region referred to in Appendix II of the Prospectus. The Sub-Fund will also invest in financial derivative instruments (“FDI”) including exchange-traded derivatives (as described in more detail under “Information on Financial Derivative Instruments” below), OTC swap transactions, options, forwards, futures, contracts for differences on equities and equity related securities listed or traded on recognised markets referred to in Appendix II of the Prospectus. Moreover, the Sub-Fund may invest in exchange traded funds (“ETFs”), primarily for hedging purposes, subject to the overall limit on investment in collective investment schemes set out below.

The Sub-Fund may use Participation notes (“P-notes”) and warrants or like financial instruments, together “Access Notes”, to trade in otherwise restricted markets. For example, the Sub-Fund will obtain exposure to India, a restricted market, through P-Notes. For exposure to China, the Sub-Fund will trade in the H-Shares listed on the Hong Kong Stock Exchange.

Access Notes, such as P-Notes, are instruments issued by registered foreign institutional investors (“FII”) to overseas investors who wish to invest in a restricted market such as the Indian stock market without registering themselves with the Securities and Exchange Board of India. P-notes are generally not rated and are designed to provide a return which is directly linked to the performance of a particular equity security or basket of equity securities. P-Notes are technically promissory notes from an issuer agreeing to provide a return according to the return on the underlying equity security or basket of equity securities. Brokers buy Indian stocks and issue P-notes that represent ownership of the underlying stock. Any dividends or capital gains collected from the underlying securities go back to the investors. While they do mimic the cash flows of a swap, they are not derivatives and a P-note represents actual ownership of the asset while swaps do not.

The P-notes and Access Notes, including warrants, in which the Sub-Fund may invest will not include embedded derivatives or leverage.

The Sub-Fund will not take a physical short position.

The Sub-Fund invests its assets in equities and equity related securities (as described above) with a primary exposure to the Asia Pacific region which may be in any sector or industry at the discretion of the Investment Manager. The maximum net long exposure of the Sub-Fund is limited to 80% of NAV of which the net long exposure to Japan and Greater China is generally expected to be limited to 70% of NAV with the maximum net long exposure to the remainder of the Asia Pacific region limited to 30% of NAV. There is no limit on the extent to which the Sub-Fund may be invested in Emerging Markets (as defined by the Index classification).

The Investment Manager may invest in securities of companies with any market capitalization range. Such investments may include companies having small or large market capitalizations, but will generally be focused on companies with a market capitalisation in excess of US$0.5 billion. It is not intended that the Sub-Fund will have a particular industry focus.

The Sub-Fund employs both long and synthetic short positions (through the use of FDI (as detailed below)) and selects the securities based on assessment of the prospects of the underlying companies
by the Investment Manager.

The FDI in which the Sub-Fund may invest are set out in the “Investment Process” and “Information on Financial Derivative Instruments” sections below and are in line with the investment strategies set out therein.

**Investment Process**

The investment process is primarily focused on investing in the Asia Pacific region using bottom up fundamental analysis to build a portfolio of long positions in robust businesses trading below the Investment Manager’s analysis of their “intrinsic value” and short positions in companies the Investment Manager believes to be overvalued with catalysts for decline. Macro-economic trends are considered in allocating stocks between countries and sectors. In addition to performing onsite due diligence and rigorous fundamental analysis, the Investment Manager may engage in active collaboration with management when appropriate. Portfolio risk will be managed by employing position limits, adhering to stop-loss guidelines, and managing gross and net exposures.

**Step 1:** Using publicly available databases, implementing Dalton’s internal investment screens and utilizing other quantitative tools, Dalton searches for companies trading below what it believes represents a company’s true intrinsic value. Specifically, Dalton typically seeks industry leaders: (1) in niche markets; (2) where there exists evidence of management alignment with shareholders; and (3) trading at what Dalton believes are distressed valuations including EV/EBITDA (Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization), Net Cash/Market Capitalisation, Price/Book and Return on Equity.

**Step 2:** Management teams of prospective companies are researched by Dalton’s on the ground analyst team to identify the company’s key decision makers. Dalton seeks to confirm background checks, sources of wealth and an alignment of management team’s incentives with the company’s shareholders.

**Step 3:** When the team progresses to the stage of on-site company visits, Dalton seeks to confirm sustainable competitive advantages within the given industry and management’s expectations. This company level fundamental analysis is generally conducted for all companies in which Dalton proposes to invest.

**Step 4:** Typically following the company visits, Dalton will reassess what they believe the true intrinsic value of each security is by applying their analyses using a discounted cash flow analysis and “private market” evaluation, e.g. the break-up market value of all divisions of a company if divisions were each independent and had established their own market stock prices. This analysis assists Dalton to determine security entry and exit prices. In addition, the potential position is considered in the context of the Sub-Fund’s overall risk profile.

**Long Portfolio**

Dalton searches for what it believes are discounted companies with some competitive advantage which shall potentially drive long-term growth. Management’s alignment of interest including, but not limited to, management ownership, history of buybacks and dividend increases are considered important factors. Dalton maintains a disciplined investment process including, but not limited to: (1) analysing each of the portfolio company’s financial statements where applicable over a 10 -15 year span, (2) interviewing company management and competitors (this involves on-site visits to management offices to interview company management to assess the long-term strategic vision of the company and assessing alignments of interest between the company officials and shareholders. The due diligence process will entail visiting factories, company assets, competitors and suppliers to verify the message being communicated by management teams through face to face meetings and other forms of public disclosure), (3) conducting onsite visits to key overseas operations, and (4) reviewing publicly available information from supply-chains.

An initial position is typically put on around 3% of the Sub-Fund’s current NAV at the time of purchase and is typically reduced through sale of part of the investment as the value exceeds 7% of NAV. Dalton sells positions when 1) they believe the market value has reached their evaluation of the true intrinsic value and/or 2) positions turn out to not follow Dalton’s initial investment thesis. Sub-Fund positions will typically comprise between 30 - 50 investments and are generally diversified across sectors.
**Short Portfolio**

Dalton utilizes publicly available databases layered with its own models and quantitative screening tools to identify potential short opportunities in companies that it believes (1) face strong competition without sustainable advantages, (2) have relatively weak balance sheets, (3) lack management ownership or are not aligned with shareholders (e.g., State Owned Enterprises); and (4) have histories of ill-timed capital raises.

At any given time, Dalton may actively monitor 20-40 fully-researched securities for valuation levels that Dalton generally believes provide sufficient margins of safety to short. Similar to long positions, Dalton generally conducts disciplined proprietary research, builds valuation models, and meets management teams. Typical positions are initially set at 1-2% of NAV and trimmed as their market value exceeds 3% of NAV since inception. Positions are typically sold when they reflect fair assessment of intrinsic value, and/or if fundamentals have changed the original investment thesis. The Sub-Fund may be comprised of 20-40 shorts. Portfolio decisions involve senior members of Dalton but Jamie Rosenwald, the lead portfolio manager, makes the final decision on all changes to portfolio construction within the investment policy contained herein.

The Sub-Fund may utilize equity and equity index options for both investment and hedging purposes. The Sub-Fund will buy and sell securities as described above frequently as part of its investment process. As disclosed above, the Sub-Fund may also invest in ETFs for both investment and hedging purposes within the general limit on investment in collective investment schemes set out below.

No more than 10% of the NAV of the Sub-Fund may be invested in collective investment schemes, which includes all open-ended ETFs, which provide exposure to listed and unlisted equities and are consistent with the investment objective of the Sub-Fund. For the avoidance of doubt, closed-ended funds which meet the requirements for transferable securities under the Regulations will not be treated as collective investment schemes for the purposes of the limits on investment in collective investment schemes set out herein.

The Sub-Fund’s investment, directly, or indirectly through the use of derivatives, in equity securities listed or traded on markets in Russia referred to in Appendix II of the Prospectus shall not exceed 5% of the Net Asset Value of the Sub-Fund. The Sub-Fund will only occasionally own securities listed or traded within this market.

The Sub-Fund may, subject to the requirements laid forth by the Central Bank, enter into FDI transactions both for investment, hedging and efficient portfolio management purposes. The Sub-Fund may take long positions synthetically through the use of FDIs. All short positions will be taken through the use of an FDI. FDIs may include swaps, options, futures and options on futures, contracts for differences (CFD) and forward currency exchange contracts. For example: (i) equity swaps and CFDs may be utilised for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market or for investment purposes; and (iv) options on futures may be utilised to quantify the potential loss from a contract expiring in a loss position or for investment purposes. In addition, for example, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under **Classes of Shares** below. For further information on the types of FDIs that the Sub-Fund may enter into please see the section entitled **Information on the Financial Derivative Instruments** below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance titled UCITS Financial Derivative Instruments and Efficient Portfolio Management for clearance prior to the Sub-Fund engaging in using such FDIs.

FDIs may be exchange traded or over-the-counter.

In accordance with the requirements of the Central Bank, the global exposure generated through the use of derivatives, as measured using the commitment approach, will be limited to 100% of the Net Asset Value. The maximum leverage of the Sub-Fund, as measured by the commitment approach, will not exceed 100% of Net Asset Value of the Sub-Fund. The ratio of long and short investments will vary
through time. The maximum net short exposure of the Sub-Fund will be 0% and the maximum net long exposure will be +80%. The Sub-Fund’s gross exposure (which is the sum of long exposure and absolute short exposure or aggregate of long and short exposure) is expected to generally have a long term average of 140% to 180% of the Net Asset Value of the Sub-Fund and will never exceed 200% of the Net Asset Value of the Sub-Fund. For the avoidance of doubt, the total exposure of the Sub-Fund (being the Net Asset Value of the Sub-Fund combined with its global exposure) may not exceed 200% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may also invest in ancillary liquid assets, which may include bank deposits, certificates of deposit, fixed or floating rate instruments, government securities, commercial paper, floating rate notes and freely transferable promissory notes. The fixed income securities in which the Sub-Fund may invest may have any rating (including below investment grade) and may be unrated and be either fixed or floating and government or corporate. Fixed income securities will be deemed to be below investment grade, if they have a rating BB+ and/or lower by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be below investment grade by the Investment Manager. No more than 30% of the Net Asset Value of the Sub-Fund may be invested in below investment grade securities.

The investments of the Sub-Fund (other than permitted unlisted investments) will be listed or traded on the markets referred to in Appendix II of the Prospectus.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps, “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>25%</td>
<td>200%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Profile of a Typical Investor

An investment in the Sub-Fund is suitable for investors seeking long-term appreciation of capital. Shares in the Sub-Fund are available to both retail and institutional investors.

2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include total return swaps and currency swaps. A seller receives a fixed rate of income throughout the term of the contract. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. A contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an
equal loan in another currency.

**Options.** The Sub-Fund may also enter into options traded over-the-counter (or OTC options). Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

**Futures and Options on Futures.** The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

**Forward Currency Exchange Contracts.** The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

4. **INVESTMENT MANAGER**

The Investment Manager for the Sub-Fund is Dalton Investments LLC. The Investment Manager is registered as a limited liability company in the state of California from March, 1999, having its registered office at 1601 Cloverfield Boulevard, Suite 5050 N, Santa Monica, California, CA 90404, USA.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager dated 21 June 2013 (as amended and as may be further amended) in relation to the Sub-Fund (the “Agreement”), all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Investment Manager is regulated by the U.S. Securities and Exchange Commission (“SEC”), Registration No. 801-56572. As at 31 December 2013, the Investment Manager had approximately $2.7 billion assets under management.

The Agreement provides that the Investment Manager shall be responsible for loss to the Fund to the extent such loss is due to negligence (whether through an act or omission), wilful default or fraud by itself, its directors, officers, servants, employees, agents and appointees. The Investment Manager shall indemnify and keep indemnified and hold harmless the Fund in the circumstances set out in the Agreement.

The Agreement shall continue in force until terminated pursuant to the Agreement’s terms. Either party may terminate the Agreement by giving not less than three months’ prior written notice (or such other period as may be mutually agreed between the parties). The Agreement may be terminated at any time in the circumstances set out in the Agreement.

5. **SUB-CUSTODIAN**

Pursuant to an agreement dated 21 June 2013 (the “Sub-Custody Agreement”), the Depository has appointed Morgan Stanley & Co. International plc (“MSI plc”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depository, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and which is regulated by the Financial Conduct Authority in the UK.
The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless MSI plc’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to any of the Depositary’s affiliates.

6. SERVICE PROVIDER

The Fund has appointed MSI plc (the “Service Provider”) to provide certain services to the Fund as service provider pursuant to a services agreement dated 21 June 2013 (as amended and as may be further amended) in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

7. RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

8. BORROWING AND LEVERAGE

The Fund may directly borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

In accordance with the requirements of the Central Bank, the global exposure generated through the use of derivatives, as measured using the commitment approach, will be limited to 100% of the Net Asset Value. The maximum leverage of the Sub-Fund, as measured by the commitment approach, will not exceed 100% of Net Asset Value of the Sub-Fund. The ratio of long and short investments will vary
through time. The maximum net short exposure of the Sub-Fund will be 0% and the maximum net long exposure will be +80%. The Sub-Fund’s gross exposure (which is the sum of long exposure and absolute short exposure OR aggregate of long and short exposure) is expected to generally have a long term average of 140% to 180% of the Net Asset Value of the Sub-Fund and will never exceed 200% of the Net Asset Value of the Sub-Fund. For the avoidance of doubt, the total exposure of the Sub-Fund (being the Net Asset Value of the Sub-Fund combined with its global exposure) may not exceed 200% of the Net Asset Value of the Sub-Fund.

9. **RISK FACTORS**

10.1 The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

10.2 The following additional risk factors also apply:

**Equity Investment Risk**

The Sub-Fund purchases equity securities and hence is subject to the risk that stock prices will fall over short or extended periods of time. Investors can potentially lose all, or a substantial portion, of their investment in the Sub-Fund.

**Dependence on Key Individuals**

The success of the Sub-Fund depends upon the ability of the principals of the Investment Manager to develop and implement investment strategies that achieve the Sub-Fund's investment objective. If the principals, including Jamie Rosenwald, were to become unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

**Currency Risk**

The Base Currency of the Sub-Fund is EUR. Shareholders may subscribe in Pounds Sterling, US Dollars or Euros into the GBP, USD and EUR denominated Share Classes respectively.

The GBP and USD denominated Shares are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the section of the Prospectus entitled **Hedged Share Classes** for information on the currency risks associated with investment in those Share Classes.

**Investment in Russia**

Investment in securities listed on Russian exchanges is subject to heightened risks. Political and economic instability may occur and is likely to have a greater impact on the securities markets and the economy in Russia. Foreign investment is affected by repatriation and currency convertibility. Adverse government policies and taxation laws may also have an impact on the Sub-Fund’s investments. The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, the settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.

**Emerging Markets**

Compared to developed markets, emerging markets usually present a greater degree of risk, such as less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favourable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

The inefficiency of the markets, the poor quality and reliability of official data published by governments or security exchanges and the non-uniformity of accounting and financial reporting standards make the analysis of emerging markets more complex and investment opportunities riskier. Additionally, low volume levels and low liquidity levels constitute entry and exit barriers magnified by the legal restrictions
imposed by certain emerging markets governments.

Performance Fee – No Equalisation

The methodology used in calculating the performance fees in respect of the Class A, Class P, Class I and Class B2 Shares may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the performance fee calculation).

Identity of Beneficial Ownership and Withholding on Certain Payments.

In order to avoid a US withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed US investments, the Sub-Fund will be required to enter into an agreement with the US Internal Revenue Service (the "Service") by 30 June 2013 identifying certain direct and indirect US account holders and equity holders. A non-US investor in the Sub-Fund will generally be required to provide to the Sub-Fund information which identifies its direct and indirect US ownership. Any such information provided to the Sub-Fund will be shared with the Service. A non-US investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to enter into an agreement with the Service by 30 June 2013 identifying certain direct and indirect US account holders and equity holders. A non-US investor who fails to provide such information to the Sub-Fund or enter into such an agreement with the Service, as applicable, would be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Sub-Fund. Shareholders should consult their own tax advisers regarding the possible implications of this legislation on their investments in the Sub-Fund.

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI, repo or securities lending agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

Market Capitalization Risk

The Sub-Fund may invest in the stocks of companies having smaller market capitalizations, including mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.

Spread Trading and Arbitrage

A part of the Sub-Fund's investment operations may involve spread positions between two or more securities or derivatives positions, or a combination of the foregoing. The Sub-Fund's trading operations also may involve arbitraging between two securities, between the security and security options markets, between derivatives and securities and/or options, between two derivatives and/or any combination of the above. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavourably causing a loss to the position.

"New Issue" Securities
The Sub-Fund may invest in initial public offerings ("IPOs"). As there is no prior public market for such securities, there can be no assurance that an active public market will develop or continue after an investment has been made. Securities purchased in IPOs carry additional risks beyond those in general securities trading. While these "new issues" may offer significant opportunities for gain because of wide fluctuations in price, such fluctuation could work to the material disadvantage of the Sub-Fund.

**Brokerage and Other Arrangements**

In selecting brokers or dealers to effect portfolio transactions, the Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Investment Manager may cause commissions to be paid to a broker or dealer that furnishes or pays for research, services or equipment at a higher price than that which might be charged by another broker or dealer for effecting the same transaction. In the event that the Investment Manager does enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Fund; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the Sub-Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the next following report of the Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

**Broker Credit Risks**

Assets deposited as margin with executing brokers need not be segregated from the assets of such executing brokers. Such assets may therefore be available to the creditors of such executing brokers in the event of their insolvency. The failure or bankruptcy of a broker may result in adverse consequences for the assets of the Sub-Fund and may in turn, have an adverse effect on the NAV.

**Settlement Risks**

The Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in a number of less developed markets in Asia in relation to the settlement of securities transactions and custody of assets will provide increased risk. The clearing, settlement and registration systems available to effect trades in such markets are significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the NAV and liquidity of the Sub-Fund.

**Possible Adverse Tax Consequences**

The Investment Manager cannot assure any investor that the relevant, applicable tax authorities (each a "Tax Authority") will accept the tax positions taken by the Investment Manager and/or the Sub-Fund. If any Tax Authority successfully contests a tax position taken by the Investment Manager and/or the Sub-Fund, the Investment Manager and/or the Sub-Fund may be liable for tax, interest or penalties and the investors may need to file or amend one or more tax returns.

**Risk of Litigation**

The Sub-Fund may accumulate substantial positions in the securities of a company that becomes involved in proxy fights or other litigation or attempts to gain control of the company. Under those circumstances, the Sub-Fund might be named as a defendant in a lawsuit or regulatory action. In addition, the outcome of such disputes, which may affect the NAV of the Sub-Fund, may be impossible to anticipate.

**Futures**

Futures prices may be volatile. This volatility may lead to substantial risks and returns, possibly much larger than in the case of equity or fixed income investments. The Sub-Fund may trade futures on a leveraged basis. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Sub-Fund.

Futures trading may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could
prevent the Sub-Fund from promptly liquidating unfavourable positions, subjecting the Sub-Fund to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For the purposes of complying with speculative position limits, the Sub-Fund's outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Investment Manager or any agent of the Investment Manager. As a result, the Sub-Fund may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures.

Some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists and a trader may have limited recourse with respect to a contract. In addition, unless the Sub-Fund hedges against fluctuations in the exchange rate between the US dollar (being the Base Currency of the Sub-Fund) and other currencies in which trading is done on non-U.S. exchanges, any profits that the Sub-Fund realises in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Sub-Fund could incur losses as a result of those changes.

**Incentive to Speculate**

The performance fee will be based on the Sub-Fund's net profits and may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. In addition, the performance fee will be based on realised and unrealised gains and losses of the Sub-Fund. As a result, a Performance Fee could be paid on unrealised gains that may never be realized.

**Trading Limits in Certain Securities**

Certain exchanges (including those in some Asian countries) do not permit trading particular securities (including, without limitation, equities) at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Sub-Fund from promptly liquidating unfavourable positions, subjecting the Sub-Fund to substantial losses. Exchanges and regulatory authorities in some jurisdictions in Asia impose speculative position limits on the number of positions a person or group may hold or control in particular securities. For the purposes of complying with speculative position limits, the Sub-Fund's outright positions in certain securities may be required to be aggregated with any positions owned or controlled by the Investment Manager or any agent of the Investment Manager. As a result, the Sub-Fund may be unable to take positions in particular securities or may be forced to liquidate positions in particular securities.

**Developing Asian Investments**

The Sub-Fund will primarily invest, directly or indirectly, in securities which are listed on securities exchanges in Asia. Such investments require consideration of certain risks typically not associated with investing in major international financial markets such as the United States. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, imposition of exchange control regulation by relevant governments, imposition of withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalisation of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in other nations.

There may be limited publicly available information about the issuers of securities in certain countries in Asia, and such issuers may not be subject to accounting, auditing and financial reporting standards and requirements which prevail in major financial markets. Certain countries' securities markets, while growing in volume, have, for the most part, substantially less volume than established international markets, and many securities traded on such markets are less liquid and their prices more volatile than securities traded on major markets. In addition, settlement of trades may be much slower and more subject to failure than in major markets, which may result in delays which could cause the Sub-Fund to miss attractive investment opportunities. There may also be less extensive regulation of the securities markets in particular Asian countries than in major international markets.

Additional costs are often incurred in connection with international investment activities. Brokerage commissions generally are higher in less established markets. Expenses also may be incurred on currency exchanges when the Sub-Fund changes investments from one country to another.

With respect to any country, there is the possibility of nationalisation, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments.
(including war) which could affect adversely the economies of such countries and/or the value of the Sub-Fund's investments in such countries. In addition, it may be difficult to obtain and enforce a judgment in a court in a less developed country.

The economic and political risks described above may also adversely impact the value of derivative instruments and securities that are linked to the performance of markets in Asia.

**Accounting Standards**

The accounting, auditing and financial reporting standards currently adopted in some of the markets that the Sub-Fund will invest may be different from and may not be equivalent to those applicable to companies of certain other economies including but not limited to the United States and the United Kingdom. Less audited information in respect of its investments may be available to the Sub-Fund than in respect of investments in the United States or the United Kingdom.

**Recent Market Events and Government Regulation/Liquidity and Credit Risks**

The summer of 2007 witnessed the beginning of a liquidity and credit crisis of historic proportions that had a domino effect on financial markets and participants worldwide that continued throughout 2008 and into 2011. Among other effects, the recent global financial and economic turmoil has led certain brokers and other lenders to be unwilling or less willing to finance new investments or to only offer financing for investments on less favourable terms than had been prevailing in the recent past. Although the U.S. Federal Reserve Bank, European Central Bank (“ECB”), and other central banks have injected significant liquidity into markets and otherwise made significant funds, guarantees, and other accommodations available to certain financial institutions, elevated levels of market stress and volatility and impaired liquidity, funding, and credit persist. While instruments correlated to residential mortgage markets were affected first, ultimately market participants holding a broad range of securities, other financial instruments and commodities and commodities contracts were forced to liquidate investments, often at deeply discounted prices, in order to satisfy margin calls (i.e., repay debt), shore up their cash reserves, or for other reasons. Market shifts of this nature may cause unexpectedly rapid losses in the value of the Sub-Fund’s positions. It is uncertain what effects this liquidity and credit crisis may still have on financial markets and the operations of the Sub-Fund and the Investment Manager, and what may be the overall impact of future liquidity and credit crises.

Credit risk includes the risk that a counterparty or an issuer of securities or other financial instruments will be unable to meet its contractual obligations and fail to deliver, pay for, or otherwise perform a transaction. Credit risk is incurred, for example, when the Investment Manager engages in principal-to-principal transactions outside of regulated exchanges, as well as in transactions on certain exchanges that operate without a clearinghouse or similar credit risk-shifting structure. Recently, several prominent financial market participants have failed or nearly failed to perform their contractual obligations when due – creating a period of great uncertainty in the financial markets, government intervention in certain markets and in certain failing institutions, severe credit and liquidity contractions, early terminations of transactions and related arrangements, and suspended and failed payments and deliveries.

Following these severe incidents of global market volatility and dislocations, financial institution failures and defaults, and large financial frauds in recent years, governmental authorities, agencies, and representatives around the world have called for financial system and participant regulatory reform, including additional regulation of investment funds (such as the Sub-Fund and the Company) and their managers and their activities, including registration requirements, compliance, risk management, and anti-money laundering procedures, restrictions on certain types of trading (such as equity short sales), restrictions on the provision and use of leverage, implementation of capital, books and records, reporting, and disclosure requirements (including in respect of leverage ratios, risk indicators, short sales, etc.), and regulation of certain over-the-counter trading activity (such as the clearing of certain credit default and other swaps). Numerous studies and reports have attempted to determine whether (and how) such investment fund activities have contributed to market and financial system instability. Regulatory reform legislation, often of a broad-based nature, has been approved or introduced in a number of major financial markets, and more is anticipated.

In addition, regulators, self-regulatory organisations, and exchanges in markets around the world are currently authorised by emergency legislation to intervene in the financial markets, and may restrict or prohibit, and have restricted and prohibited, common market practices such as the short-selling of stocks (or certain stocks). The extent of such measures, intended to stabilise the financial markets, varies from country to country. Additional measures and legislation and regulation are widely anticipated.
and could have a substantial adverse effect on the Sub-Fund's investment strategies and business model (including by causing the Investment Manager to incur significant expense to comply with such measures).

While 2009 and 2010 generally saw a rebound in many equity markets around the world, the duration, severity, and ultimate effect of recent market disruptions and government actions cannot be predicted. New market reversals could result in further declines in the market values of potential or actual investments. Such declines and/or government actions could lead to diminished investment opportunities either generally or for the Sub-Fund, impact the viability of various investment strategies or require the disposition of investments at a loss.

10. DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Class of Shares.

11. KEY INFORMATION FOR PURCHASING AND SELLING

Base Currency

EUR

Classes of Shares

Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Fee</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class B1 USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>0.75%</td>
<td>0%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B1 EUR Shares</td>
<td>Euro</td>
<td>No</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.75%</td>
<td>0%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B1 GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.75%</td>
<td>0%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B 2 USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>1.25%</td>
<td>7.5%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B 2 EUR Shares</td>
<td>Euro</td>
<td>No</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.25%</td>
<td>7.5%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B2 GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.25%</td>
<td>7.5%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>1.5%</td>
<td>15%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>No</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.5%</td>
<td>15%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.5%</td>
<td>15%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
</tbody>
</table>
The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified in advance of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding.

The Class B1 Shares and the Class B2 Shares will be the initial investor Share classes. It is therefore expected that the Class B1 Shares will only be available for subscription until the net assets of the Sub-Fund reach EUR 20 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. The Class B2 Shares will only be available for subscription until the net assets of the Sub-Fund reach USD 50 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

The GBP and USD denominated Share Classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. Such transactions will be allocated solely to the relevant Currency Hedged Share Class. Therefore, currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Share Classes. Investors in GBP and USD denominated Share Classes are referred to the description and risks related to Currency Hedged Share Classes in the section of the Prospectus headed “Risk Factors”.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period for each Share Class (save for the Class A USD, Class A EUR, Class B1 EUR, Class B2 EUR, Class P EUR and Class P USD Shares)**

The Initial Offer Period for the above Share Classes has commenced and has been extended to 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank of Ireland.

The Class B1 EUR Shares, Class B2 EUR Shares, Class A EUR Shares, Class P EUR Shares and Class P USD Shares are available at their respective Net Asset Value per Share on each Dealing Day.
Initial Offer Period for Class A USD Shares

The Class A USD Shares previously launched and have been fully redeemed. The Class A USD Shares will be available for subscription at the Initial Offer Price set out above from 24 July 2017 until 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank of Ireland.

Business Day

Every day (except legal public holidays in the United Kingdom or Ireland or days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

Dealing Day

Every Friday (except legal public holidays in the United Kingdom or Ireland or days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

Dealing Deadline

12 midday Irish time 3 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion and in exceptional circumstances, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

Settlement Date

In the case of subscriptions, by 12 midday Irish time 3 Business Days after the relevant Dealing Day.

In the case of redemptions, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

Valuation Point

In the case of transferable securities and listed FDI, the valuation point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the valuation point will be the close of business on the Dealing Day of the markets relevant to the underlying assets to which the FDIs relate or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

12. CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class A GBP Shares, Class A USD Shares and Class A EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P GBP Shares, Class P USD Shares and Class P EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the
Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No exchange or repurchase charges shall be payable in respect of the Shares.

The Sub-Fund may impose an anti-dilution levy or adjustment on the issue or repurchase of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets. Investors should note that this anti-dilution levy includes any cost associated with the purchase or sale of investments including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other transaction costs.

Management Fee

The Fund will pay to the Investment Manager from the assets attributable to each Class of Shares of the Sub-Fund the following fees (“Management Fees”) which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

- 2.5% per Class A GBP Share, Class A USD Share and Class A EUR Share (collectively, the “Class A Shares”);
- 1.5% per Class I GBP Share, Class I USD Share and Class I EUR Share (collectively, the “Class I Shares”);
- 1.5% per Class P GBP Share, Class P USD Share and Class P EUR Share (collectively, the “Class P Shares”);
- 0.75% per Class B1 GBP Share, Class B1 USD Share and Class B1 EUR Share (collectively, the “Class B1 Shares”)
- 1.25% per Class B2 GBP Share, Class B2 USD Share and Class B2 EUR Share (collectively, the “Class B2 Shares”);

Performance Fee

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the “Performance Fee”) is payable to the Investment Manager, of 15% in respect of the Class A Shares, Class P Shares and the Class I Shares; and of 7.5% in respect of the Class B2 Shares of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

No Performance Fee is payable in respect of the Class B1 Shares.

“Performance Fee Payment Date” shall mean the date at which the Performance Fee crystallised during a Calculation Period is paid. The Performance Fee Payment Date will be within 14 calendar days of the relevant Calculation Period.

For the first Calculation Period, the “High Water Mark Net Asset Value” shall mean the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The relevant Initial Issue Price will be taken as the starting price for the calculation of the initial Performance Fee for a Share Class.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period pro-rata to the subscriptions or redemptions of the Class on the relevant Dealing Day (ie, if a subscription is received which is equal to 10% of the Net Asset Value, then the High Water Mark Net Asset Value will be increased by 10% or if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%).

For each subsequent Calculation Period for a Share Class the “High Water Mark Net Asset Value”
means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee shall be equal to 15% in respect of the Class A Shares, the Class P Shares and the Class I Shares, and 7.5% in respect of the Class B2 Shares, of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the High Water Mark Net Asset Value on which the performance fee was paid. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on or before the Performance Fee Payment Date to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on a redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

**Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provided by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

**Fees Payable to the Service Provider**
The Fund will pay to the Service Provider from the assets attributable to each Class of Shares of the Sub-Fund such fees as may be agreed between the parties in writing and be amended upon reasonable notice. These fees are in addition to transaction charges and related fees, charges and costs payable to the Service Provider in relation to the execution of transactions, the failure of transactions to clear, costs in relation to the exercise of any corporate action or voting rights by the Service Provider on behalf of the Fund and any associated fees, charges or costs. The various fees, transaction charges and costs outlined above will not exceed normal commercial rates.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled *Ongoing Charges and Expenses* in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

13. HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled *Applications for Shares* in the Prospectus.

14. HOW TO REPURCHASE SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled *Repurchase of Shares* in the Prospectus.

15. HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled *Exchange of Shares* in the Prospectus.

16. ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund were paid by Morgan Stanley & Co. International plc.

17. OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings *Management Charges and Expenses* and *General Charges and Expenses*.

18. OTHER INFORMATION

Services Agreement

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, willful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims.
which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result of, or in connection with, or arising out of, the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, wilful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the rules of the Financial Conduct Authority (the FCA). Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Agreement, be client money for the purposes of the FCA rules and will therefore be subject to the client money protections conferred by the FCA rules.

Either party may terminate the Services Agreement by giving at least five business days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies or the Fund to perform of any or all of its respective obligations thereunder.
This Supplement contains specific information in relation to the **MS TCW Unconstrained Plus Bond Fund** (the “**Sub-Fund**”), a sub-fund of **FundLogic Alternatives p.l.c.** (the “**Fund**”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “**Central Bank**”) pursuant to the Regulations. The Sub-Fund is managed by **Metropolitan West Asset Management LLC** (“**Metropolitan**” or the “**Investment Manager**”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “**Prospectus**”).

The Sub-Fund may invest principally through financial derivative instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled **Directors of the Fund** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND STRATEGY ..................................................................................................................179

2. INVESTMENT RESTRICTIONS .........................................................................................................................................182

3. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS .............................................................................183

4. INVESTMENT MANAGER .............................................................................................................................................184

5. RISK MANAGER ............................................................................................................................................................184

6. BORROWING AND LEVERAGE ......................................................................................................................................185

7. RISK FACTORS .............................................................................................................................................................185

8. DIVIDEND POLICY ..........................................................................................................................................................187

9. KEY INFORMATION FOR PURCHASING AND SELLING ..............................................................................................188

10. CHARGES AND EXPENSES ........................................................................................................................................191

11. HOW TO SUBSCRIBE FOR SHARES ............................................................................................................................192

12. HOW TO REPURCHASE SHARES ................................................................................................................................192

13. HOW TO EXCHANGE SHARES .....................................................................................................................................193

14. ESTABLISHMENT CHARGES AND EXPENSES ............................................................................................................193

15. OTHER CHARGES AND EXPENSES ............................................................................................................................193
INVESTMENT OBJECTIVE AND STRATEGY

1.1 Investment Objective

The Sub-Fund’s investment objective is to seek long term capital appreciation through a flexible investment approach that invests primarily in global debt securities (as outlined below).

1.2 Investment Policy

The Sub-Fund seeks to achieve its investment objective by employing a discretionary and flexible investment approach investing into a range of global investment opportunities in debt securities. These investment opportunities aim to take benefit of movement in the credit, currency and interest rate markets that positively impacts the prices of the underlying debt securities.

The types of debt securities in which the Sub-Fund may invest include: debt securities issued or guaranteed by national governments, their agencies, instrumentalities and political sub-divisions (including inflation protected securities); STRIPS (Separate Trading of Registered Interest and Principal of Securities) bonds1 (the Sub-Fund may invest in both IOs and POs (as defined in the footnote below); debt securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities, including freely transferable promissory notes, debentures, bonds; convertible bonds (which may embed a derivative instrument); commercial paper, certificates of deposits, and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations; structured notes that are transferable securities whose underlying exposure may be to fixed income securities (structured notes include inverse floaters2 which may embed derivatives); mortgage-backed and asset-backed securities that are structured as debt securities; securitised participations in loans that are transferable securities; Eurodollar bonds and Yankee dollar instruments (including senior and subordinated notes); and Rule 144A securities. These debt securities may contain any type of interest rate payment or reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind and those with auction rate features (being variable rate debt securities with long maturities (eg 10 to 30 years) but with coupons linked to short-term interest rates (eg 3 months to 6 months)). For the avoidance of doubt, no more than 10% in aggregate of the Net Asset Value of the Sub-Fund may be invested in securities which are not listed or traded on Recognised Markets or securitised participations in loans.

For the avoidance of doubt, any reference in these investment objective and policies to investment in securities by the Sub-Fund may be deemed also to refer to indirect investment in such securities through the use of FDI. The FDI in which the Sub-Fund may invest are set out below in this “Investment Policy” section and in the “Information on Financial Derivative Instruments” section and are in line with the investment strategies set out therein.

The Sub-Fund may also invest in exchange traded funds (“ETFs”) subject to the overall limit on investment in collective investment schemes set out below.

The Sub-Fund aims to invest at least 80% of its net assets in global debt securities of varying maturities that are issued by corporations and governments. The Sub-Fund may invest in both investment grade and non-investment grade debt securities, subject to investing no more than 75% of its net assets in securities rated BB+ and/or lower by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be below investment grade by the Investment Manager.

The Sub-Fund may invest up to 75% of the Sub-Fund’s net assets in emerging markets debt securities or structured notes that are transferable securities, warrants and derivatives that provides exposure to

---

1. STRIPS Bonds are created by separating bonds into their principal and interest components and selling each piece separately (commonly referred to as IOs (interest only bonds) and POs (principal only bonds)). Stripped securities are more volatile than other fixed income securities in their response to change in market interest rates. The value of some stripped securities moves in the same direction as interest rates, further increasing their volatility.

2. Inverse Floaters are securities whose interest rate component moves in an opposite direction from the benchmark interest rate to which it is indexed. The change in the interest rate component of an inverse floater may be a multiple of the change in the benchmark interest rate. Hence, an inverse floater is usually associated with greater volatility than a fixed income bond paying the benchmark interest rate.
emerging market debt. The Sub-Fund will aim to limit its exposure to non U.S. dollar denominated securities or currencies to 60% of its net assets.

The Sub-Fund’s investment, directly, or indirectly through the use of derivatives, in debt securities listed or traded on markets in Russia referred to in Appendix II of the Prospectus shall not exceed 15% of the Net Asset Value of the Sub-Fund.

In order to assist in achieving the investment objective, the Sub-Fund may invest up to 20% of its net assets in preferred stock and common stock of companies globally (and across all industry sectors) which are listed or traded on the markets referred to in Appendix II of the Prospectus.

The Sub-Fund may, subject to the requirements laid forth by the Central Bank, enter into FDI transactions both for investment, hedging and efficient portfolio management purposes. FDIs may include swaps, options, futures, forward interest rate contracts, swaptions, options on futures, contracts for differences (CFD) and forward currency exchange contracts. For example: (i) total return swaps may be utilised for access to certain issuers and jurisdictions or for investment purposes; (ii) single name options (including bond options) and index options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) index futures on broad based bond indices representing any bond markets globally may be utilised in order to hedge the debt security portion of the portfolio from movements in general interest rates and credit spreads or for investment purposes; and (iv) options on futures may be utilised to quantify the potential loss from a contract expiring in a loss position or for investment purposes. In addition, for example, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information on the types of FDIs that the Sub-Fund may enter into please see the section entitled Information on the Financial Derivative Instruments below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance titled UCITS Financial Derivative Instruments and Efficient Portfolio Management UCITS Regulations for clearance prior to the Sub-Fund engaging in using such FDIs.

FDIs may be exchange traded or over-the-counter.

In accordance with the requirements of the Central Bank, the global exposure generated through the use of derivatives, as measured using the commitment approach, will be limited to 100% of the Net Asset Value. The maximum leverage of the Sub-Fund, as measured by the commitment approach, will not exceed 100% of Net Asset Value of the Sub-Fund. For the avoidance of doubt, the total exposure of the Sub-Fund (being the Net Asset Value of the Sub-Fund combined with its global exposure) may not exceed 200% of the Net Asset Value of the Sub-Fund.

1.3 Investment Process

The investment process employed by the Investment Manager (the “Investment Process”) is primarily focused on investing in debt securities of varying maturities, sectors, currencies and credit quality with an aim to generate positive long term return, with low correlation to U.S. treasuries and global equities. Diversification of investments will be utilised to limit correlation when debt securities are being selected for investment.

The Investment Manager employs a disciplined value driven investment process that places an emphasis on fundamental bottom-up research. The most important facet of the Investment Process is the application of independent, bottom up research (being research which focusses on specific securities rather than the industry or market as a whole) to identify securities that are undervalued and that offer a superior risk/return profile.

The research done by the Investment Manager for a potential investment focuses on investment metrics such as current yield, potential for price appreciation, position in capital structure vis-à-vis other creditors, yield to maturity, rating, duration, and liquidity in the debt security.

The Investment Manager seeks to achieve long term positive performance by utilising five value-added strategies i.e. duration management, yield curve positioning, sector allocation, security selection, and trading. The investment philosophy is predicated on a long term macroeconomic outlook and price inefficiency for an underlying debt security (ie identifying securities that are undervalued and offer a
superior risk/return investment opportunity) while diversifying the investment portfolio across different fixed income market sectors.

The first three value-added strategies are top-down in orientation and start with a decision of where the duration should be established. Following that, the Investment Manager determines the manner of achieving the desired duration exposure, either with a concentration of intermediate maturity issues or a combination of long and short-term maturity issues. Subsequently, the Investment Manager employs a value driven investment management approach to identifying undervalued sectors and issues. Working along with the top-down strategies are the specialist-led bottom-up strategies of security selection and trading. The security selection involves the day-to-day work of analysing the bond market for opportunities, while trading is characterized by the informed negotiation of the prices at which transactions take place.

Below are more details on the value-added strategies employed in the Investment Process:

**Duration Management**

Duration management by the Investment Manager is based on the premise that interest rates are positively correlated with the business cycle. That is, rates tend to be higher during periods of relatively higher economic growth and fall during periods of relatively lower economic growth.

Ideally, the approach to managing duration is to establish a portfolio that has a relatively short duration at the beginning of periods of increasing economic growth. The duration is then gradually increased over a period of years, until, eventually, the duration is relatively long, at the end of an economic expansion.

Specifically, the Sub-Fund may have a duration range from -3 years to +8 years. The Investment Manager believes that this allows it to protect the portfolio from capital losses during periods of rising interest rates, and also generate price gains during periods of falling interest rates.

**Yield Curve Positioning**

Yield curve strategy, or the decision on the maturity of investment securities that are invested into, is driven by the view of the Investment Manager on business cycle conditions. The Investment Manager employs proprietary models to determine the maturities which represent the best risk/return, based on the Investment Manager’s fundamental outlook.

**Sector Allocation**

The investment philosophy of diversifying the sources of value-added in a portfolio emphasizes the utilization of multiple strategies to achieve both higher returns, as well as aim to generate stable return over the course of a business. The sector allocation process starts by comparing relative value across all sectors of the bond market, including governments, agencies, corporates, high yield, mortgage-backed securities, asset-backed securities, non-dollar, and/or emerging markets debt securities. The Investment Manager makes sector allocation decisions depending on a number of factors, including:

- business cycle analysis and relative/historical value across sectors;
- assessment of the long term credit dynamics of emerging markets;
- volatility forecasting; and
- analysis of technical factors.
Security Selection

Security selection is a critical component of the Investment Process and applies in depth research and prudent risk taking in order to identify undervalued securities. The Investment Manager seeks value in all sectors of fixed income market using a robust research and technological infrastructure. The security selection process seeks to protect downside against negative events through an in-depth analysis of credit quality of an issuance.

The Investment Manager constructs a highly diversified portfolio of securities that respects the general investment restrictions applicable to UCITS as set out in the Prospectus.

Trading

The Investment Manager aims to execute transactions on a competitive basis while engaging in active negotiation with market counterparties, employing the Investment Manager’s knowledge of the market in respect of such negotiations.

The Sub-Fund may utilize fixed income options for both investment and hedging purposes. The Sub-Fund will buy and sell debt securities as described above frequently as part of its investment process. As disclosed above, the Sub-Fund may also invest in ETFs for both investment and hedging purposes within the general limit on investment in collective investment schemes set out below.

No more than 10% of the NAV of the Sub-Fund may be invested in collective investment schemes, which includes all open-ended ETFs, which provide exposure to listed and unlisted debt securities and are consistent with the investment objective of the Sub-Fund. For the avoidance of doubt, closed-ended funds which meet the requirements for transferable securities under the Regulations will not be treated as collective investment schemes for the purposes of the limits on investment in collective investment schemes set out herein.

The Sub-Fund may also invest in ancillary liquid assets, which may include bank deposits, certificates of deposit, fixed or floating rate instruments, government securities, commercial paper, floating rate notes and freely transferable promissory notes.

The investments of the Sub-Fund (other than permitted unlisted investments) will be listed or traded on the markets referred to in Appendix II of the Prospectus.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps, “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>5%</td>
<td>60%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>1%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Profile of a Typical Investor

An investment in the Sub-Fund is suitable for investors seeking long-term appreciation of capital. Shares in the Sub-Fund are available to both retail and institutional investors.
The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include credit default swaps, interest rate swaps, total return swaps, swaptions, and cross-currency asset swaps. The “buyer” in a credit default swap 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. A seller receives a fixed rate of income throughout the term of the contract. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of swaps or swaptions can be single name securities, indices, custom baskets of securities, interest rates or currencies. The underlying reference assets of credit default swaps can be corporate debt obligations, sovereign debt, commercial mortgage-backed securities and retail mortgage-backed securities. A swaption is an option granting its owner the right but not the obligation to enter into an underlying swap. A cross-currency asset swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency. An equity swap or a contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying equity and its market value at the inception of the contract. The counterparties to swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund.

Options. Options may be exchange traded or traded over-the-counter options or may be in the form of warrants and may have single name fixed income securities, equity securities, indices or futures as underlying reference assets. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference assets at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.

Futures and Options on Futures. These include currency futures, interest rate futures, equity futures, equity index futures and bond futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. The Sub-Fund may purchase and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Forward Interest Rate Contracts. These are interest rate forward purchase or sale contracts under which the interest differential between the contract rate and the market interest rate on a future settlement date on the notional principal is paid or received. These are OTC instruments that are used to hedge future interest rate exposure associated with fixed income or other interest rate-sensitive investments such as real estate-related securities.

Convertible Bonds: Convertible bonds are securities which have the right to convert into a fixed number of shares. Convertible bonds therefore have debt- and equity-like features. When the equity value of the convertible is low, the convertible’s value behaves like a bond. As the equity value goes up, the convertible’s value behaves more like an equity. Investors benefit as they receive the upside participation of an equity rising, but the downside protection given by the bond component if the equity into which it may convert falls in value.
Inverse Floaters: Inverse Floaters are securities whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. When the interest rate goes up the coupon payment rate will go down because the interest rate is deducted from the coupon payment.

4 INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is Metropolitan West Asset Management LLC. The Investment Manager is a wholly owned subsidiary of the TCW Group Inc. (“TCW”) and is registered as a limited liability company in the state of California, having its registered office at 865 South Figueroa Street, Los Angeles, California 900017.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager dated 28 August 2013 (as amended and as may be further amended) in relation to the Sub-Fund (the “Agreement”), all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Investment Manager is regulated by the U.S. Securities and Exchange Commission (“SEC”) ARD No. 104571. As at 30 April 2017 the Investment Manager had approximately $194.3 billion assets under management.

The Agreement provides that the Investment Manager shall be responsible for loss to the Fund to the extent such loss is due to negligence (whether through an act or omission), willful default or fraud by itself, its directors, officers, servants, employees, agents and appointees. The Investment Manager shall indemnify and keep indemnified and hold harmless the Fund in the circumstances set out in the Agreement.

The Agreement shall continue in force until terminated pursuant to the Agreement’s terms. Either party may terminate the Agreement by giving not less than three months’ prior written notice (or such other period as may be mutually agreed between the parties). The Agreement may be terminated at any time in the circumstances set out in the Agreement.

5 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, willful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.
6 BORROWING AND LEVERAGE

The Fund may directly borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

In accordance with the requirements of the Central Bank, the global exposure generated through the use of derivatives, as measured using the commitment approach, will be limited to 100% of the Net Asset Value. The maximum leverage of the Sub-Fund, as measured by the commitment approach, will not exceed 100% of Net Asset Value of the Sub-Fund. For the avoidance of doubt, the total exposure of the Sub-Fund (being the Net Asset Value of the Sub-Fund combined with its global exposure) may not exceed 200% of the Net Asset Value of the Sub-Fund.

7 RISK FACTORS

7.1 The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

7.2 The following additional risk factors also apply:

Investment in Non-Investment Grade securities:

The Sub-Fund invests in non-investment grade debt securities, which are considered speculative and are subject to greater volatility and risk of loss than investment grade debt securities, particularly in deteriorating economic conditions. In addition, the issuers of non-investment grade securities are more likely to default in payment of principal and/or interest on the debt security, resulting in loss for the Sub-Fund.

Dependence on Key Individuals

The success of the Sub-Fund depends upon the ability of the principals of the Investment Manager to develop and implement investment strategies that achieve the Sub-Fund's investment objective. If the principals, including Tad Rivelle, Laird R. Landmann and Stephen M. Kane, were to become unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

Currency Risk

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in Pounds Sterling, US Dollars or Euros into the GBP, USD and EUR denominated Share Classes respectively.

The GBP and EUR denominated Shares are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share Classes.

Moreover if the underlying currency in which a debt security that the Sub-Fund invests in is denominated declines in value as compared to USD, this may negatively impact the performance of the Sub-Fund.

Investment in Russia

Investment in securities listed on Russian exchanges is subject to heightened risks. Political and economic instability may occur and is likely to have a greater impact on the securities markets and the economy in Russia. Foreign investment is affected by repatriation and currency convertibility. Adverse government policies and taxation laws may also have an impact on the Sub-Fund's investments. The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, the settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.
Investments in Emerging Markets

Compared to developed markets, emerging markets usually present a greater degree of risk, such as less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favourable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

The inefficiency of the markets, the poor quality and reliability of official data published by governments or security exchanges and the non-uniformity of accounting and financial reporting standards make the analysis of emerging markets more complex and investment opportunities riskier. Additionally, low volume levels and low liquidity levels constitute entry and exit barriers magnified by the legal restrictions imposed by certain emerging markets governments.

Identity of Beneficial Ownership and Withholding on Certain Payments.

In order to avoid a US withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed US investments, the Sub-Fund will be required by Irish Law to identify certain direct and indirect US account holders and equity holders. A non-US investor in the Sub-Fund will generally be required to provide to the Sub-Fund information which identifies its direct and indirect US ownership. Any such information provided to the Sub-Fund reported to the Irish government, which will subsequently share such information with the US Internal Revenue Service. A non-US investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to enter into an agreement with the Service by 1 January 2014 identifying certain direct and indirect US account holders and equity holders or be covered by an intergovernmental agreement requiring similar reporting to the relevant foreign government. A non-US investor who fails to provide such information to the Sub-Fund or enter into such an agreement with the Service, as applicable, would be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Sub-Fund. Shareholders should consult their own tax advisers regarding the possible implications of this legislation on their investments in the Sub-Fund.

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI, repo or securities lending agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

Investments in Asset-Backed Securities

Asset-backed securities are bonds or notes backed by the lending or receivables originated by banks, credit card companies or other credit providers. The impairment of value of underlying collateral or assets for an asset-backed security may result in decrease in value of such asset-backed securities. The principal of asset-backed securities may be prepaid at any time. As a result, Sub-Fund may have to replace them with investments having lower yield. Similarly, a slowdown in prepayments during a rising interest rate environment may result in wider price fluctuation in price of the security.

Investments in Mortgage-Backed Securities

Mortgage-backed securities represent participation in pools of residential mortgage loans purchased from individual lenders by a federal agency or originated and issued by private lenders. The principal of mortgage-backed securities may be prepaid at any time. As a result, the Sub-Fund may have to replace them with investments having lower yield. Any acceleration or slowdown in prepayment rates for a mortgage-backed security may impact the effective maturity of the security, resulting in higher volatility. The value of the securities may also fluctuate in line with market assessment of creditworthiness of the borrowers. Additionally, although mortgage-backed securities are generally supported by a government
or private guarantee; there is no assurance that such guarantee providers will meet their obligations.

Investment in STRIPS

The yield to maturity on an interest only or principal only class of STRIPs is extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the underlying assets. A rapid rate of principal prepayments may have a measurably adverse effect on the Sub-Fund’s returns to the extent it invests in interest only bonds. If the assets underlying the interest only bond experience greater than anticipated prepayments of principal, the Sub-Fund may fail to recoup fully their initial investments in these securities. Conversely, principal only bonds tend to increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated.

Investments in Non-Publicly traded and rule 144A Securities

Non-publicly traded and Rule 144A Securities may involve a high degree of business and financial risk and may result in substantial losses. These securities may be less liquid than publicly traded securities, and the Sub-Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a Sub-Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Sub-Fund’s investment in illiquid securities is subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Sub-Fund could be adversely affected.

Investments in Unrated Securities

The Sub-Fund may purchase securities that are not rated by a rating agency. If the Investment Manager determines the security to be of comparable quality to a rated security than the success of such investment in meeting the investment objective depends heavily on the analysis of creditworthiness done by the Investment Manager. Analysis of credit worthiness of comparable non-investment grade securities may be very complex and hence the Investment Manager may not be able to accurately evaluate such securities’ comparable quality to a rated security.

Settlement Risks

The Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in a number of less developed markets in relation to the settlement of securities transactions and custody of assets will provide increased risk. The clearing, settlement and registration systems available to effect trades in such markets are significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the NAV and liquidity of the Sub-Fund.

Accounting Standards

The accounting, auditing and financial reporting standards currently adopted in some of the markets that the Sub-Fund will invest may be different from and may not be equivalent to those applicable to companies of certain other economies including but not limited to the United States and the United Kingdom. Less audited information in respect of its investments may be available to the Sub-Fund than in respect of investments in the United States or the United Kingdom.

DIVIDEND POLICY

Shares are available either as Distribution Shares or Accumulation Shares. Distribution Shares will pay dividends while Accumulation Shares will not pay dividends. The Directors intend to declare dividends in respect of the Shares belonging to Distribution Share Classes in respect of substantially all of the net income arising from the assets attributable to such Shares. Net capital gains realised on the Sub-Fund’s investments are expected to be retained by the
Sub-Fund, which will result in an increase in the Net Asset Value of the Shares. The Board of Directors nevertheless retains the right to declare dividends in respect of such capital gains in its sole discretion.

Dividends are normally expected to be distributed at the end of June and December of each year, where profits are available, or at such other times determined by the Directors, in accordance with the provisions of the Prospectus and Memorandum and Articles of Association. The income and gains of the Accumulation Shares will be accumulated in the price of the Shares of that Class. To the extent that a dividend is declared in respect of a Distribution Share, it will be automatically reinvested in such further Distribution Shares of the same Class at a price per Share equal to the Subscription Price for such Shares on the Business Day on which such dividends are paid out of the Sub-Fund.

Under the Articles, the Directors are entitled to pay such dividends on any class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the Sub-Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends earned by the Sub-Fund) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the Sub-Fund, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

Each dividend declared on any outstanding Shares of the Sub-Fund will, at the election of each Shareholder, be paid in cash or in additional shares of the Share Class. This election should be made by the Shareholder while making an investment by indicating in the Application Form and can be changed by giving a written notice to the Fund at any time prior to the record date for a particular dividend or distribution, through the medium mentioned in the Application Form. If no election is made, all dividend distributions will be paid in the form of additional Shares. Such reinvestment will be made at the Net Asset Value per Share of the Share Class as of the Business Day on which such dividends are paid out of the Sub-Fund.

Upon the declaration of any dividends to Shareholders of a Share Class, the Net Asset Value of Shares of that Share Class will be reduced by the amount of such dividends. Payments of the dividends shall be made as indicated on a Shareholder’s Application Form, as amended from time to time, to the address or account indicated on the register of Shareholders. Where Shareholders elect reinvestment of dividends in additional Shares, each dividend due to the Shareholder will be credited to the Share Class by the Administrator for subscription of further shares.

With respect to the Distribution Shares, the Sub-Fund operates a policy known as “income equalisation”.

The income equalisation policy intends to ensure that the income per Share which is distributed or deemed distributed in the respect of a distribution period is not affected by the number of Shares in issue during that period, and the amount of the first distribution received by a Shareholder in respect of a relevant Share Class during the distribution period following subscription in the Share Class will represent partly a participation in income received by the Share Class and partly a return of capital (the ‘equalisation amount’). Allocation of income to holders of any Shares which are specified as Accumulation Shares will be transferred to the capital assets of the Sub-Fund upon declaration and be reflected in the value of Shares on the first Business Day following the end of that period.

To the extent that any dividend is declared, it will be paid in compliance with applicable laws. Any distribution of income for Shares that is unclaimed for a period of six years after having become due for payment, shall be forfeited and shall revert to the Sub-Fund.

9 KEY INFORMATION FOR PURCHASING AND SELLING

Base Currency

USD

Classes of Shares
Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Acc/Dist</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Fee</th>
<th>Minimum Subsequent Subscription/Minimum Repurchase Amount</th>
<th>Minimum Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class B1 USD Shares</td>
<td>Acc</td>
<td>US Dollar</td>
<td>No</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>0.55%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B1 EUR Shares</td>
<td>Acc</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.55%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B1 GBP Shares</td>
<td>Acc</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.55%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>Acc</td>
<td>US Dollar</td>
<td>No</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>0.80%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Acc</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.80%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Acc</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.80%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>Acc</td>
<td>US Dollar</td>
<td>No</td>
<td>US$1,000</td>
<td>US$250,000</td>
<td>0.80%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Acc</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>0.80%</td>
<td>€10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Acc</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>0.80%</td>
<td>£10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>Acc</td>
<td>US Dollar</td>
<td>No</td>
<td>US$1,000</td>
<td>US$10,000</td>
<td>1.60%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>Acc</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>1.60%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Acc</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>1.60%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>Dist</td>
<td>US Dollar</td>
<td>No</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>0.80%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Dist</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.80%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Dist</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.80%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>Dist</td>
<td>US Dollar</td>
<td>No</td>
<td>US$1,000</td>
<td>US$250,000</td>
<td>0.80%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>EUR Shares</td>
<td>GBP Shares</td>
<td>USD Shares</td>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>Dist</td>
<td>€1,000</td>
<td>£1,000</td>
<td>£1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>€250,000</td>
<td>£250,000</td>
<td>US$10,000</td>
<td>£10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>0.80%</td>
<td>0.80%</td>
<td>1.60%</td>
<td>1.60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>€10,000</td>
<td>£10,000</td>
<td>US$1,000</td>
<td>€1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>250 Shares</td>
<td>250 Shares</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>Dist</td>
<td>Pound Sterling</td>
<td>Dist</td>
<td>Dist</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>£250,000</td>
<td>£10,000</td>
<td>US$1,000</td>
<td>€10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>0.80%</td>
<td>1.60%</td>
<td>1.60%</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>£10,000</td>
<td>$1,000</td>
<td>€1,000</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P</td>
<td>250 Shares</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified in advance of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding.

The Class B1 Shares will be the initial investor Share Classes. It is therefore expected that the Class B1 Shares will only be available for subscription until the net assets of the Sub-Fund reach EUR 20 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share classes are currently being offered for subscription at any time after the initial offer period set out below.

The GBP and EUR denominated Share Classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. Such transactions will be allocated solely to the relevant Currency Hedged Share Class. Therefore, currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Share Classes. Investors in GBP and EUR denominated Share Classes are referred to the description and risks related to Currency Hedged Share Classes in the section of the Prospectus headed “Risk Factors.”

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period for each Share Class**

For the following Accumulation Share Classes: Class A GBP Shares, Class B1 USD Shares, Class B1 GBP Shares, Class I GBP Shares, and Class P GBP Shares, the Initial Offer Period will be from 9.00 a.m. (Irish time) on 24 July 2017 until 5.30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank of Ireland.

For all Distribution Share Classes (save for the Class I GBP Shares), the Initial Offer Period will be from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank of Ireland.

All other Share Classes are issued at their Net Asset Value per Share on each Dealing Day.
**Business Day**

Every day (except legal public holidays in the United Kingdom, United States of America or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland and the United Kingdom and New York are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every day (except legal public holidays in the United Kingdom, United States of America or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland and the United Kingdom and New York are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

4 PM Irish time 1 Business Day prior to the relevant Dealing Day.

The Directors may, in their discretion and in exceptional circumstances, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions, by 12 midday Irish time 3 Business Days after the relevant Dealing Day.

In the case of redemptions, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

In the case of transferable securities and listed FDI, the valuation point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the valuation point will be the close of business on the Dealing Day of the markets relevant to the underlying assets to which the FDIs relate or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

10 **CHARGES AND EXPENSES**

**Initial, Exchange and Repurchase Charges**

With respect to Class A GBP Shares, Class A USD Shares and Class A EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P GBP Shares, Class P USD Shares and Class P EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No exchange or repurchase charges shall be payable in respect of the Shares.

The Sub-Fund may impose an anti-dilution levy or adjustment on the issue or repurchase of Shares as
further described in the section of the Prospectus entitled **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**. Investors should note that this anti-dilution levy includes any cost associated with the purchase or sale of investments including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other transaction costs.

**Management Fee**

The Fund will pay to the Investment Manager from the assets attributable to each Class of Shares of the Sub-Fund the following fees ("Management Fees") which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

- 1.60% per Class A GBP Share, Class A USD Share and Class A EUR Share (collectively, the “**Class A Shares**”);
- 0.80% per Class I GBP Share, Class I USD Share and Class I EUR Share (collectively, the “**Class I Shares**”);
- 0.80% per Class P GBP Share, Class P USD Share and Class P EUR Share (collectively, the “**Class P Shares**”);
- 0.55% per Class B1 GBP Share, Class B1 USD Share and Class B1 EUR Share (collectively, the “**Class B1 Shares**”)

**Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provided by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

**Ongoing Charges and Expenses**

The additional charges and expenses specified in the section entitled **Ongoing Charges and Expenses** in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

11 **HOW TO SUBSCRIBE FOR SHARES**

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled **Applications for Shares** in the Prospectus.

12 **HOW TO REPURCHASE SHARES**

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled **Repurchase of Shares** in the Prospectus.
13 **HOW TO EXCHANGE SHARES**

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled *Exchange of Shares* in the Prospectus.

14 **ESTABLISHMENT CHARGES AND EXPENSES**

The cost and expenses of establishing the Sub-Fund were paid by Morgan Stanley & Co. International plc.

15 **OTHER CHARGES AND EXPENSES**

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings *Management Charges and Expenses* and *General Charges and Expenses*.
This Supplement contains specific information in relation to the MS Lynx UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by FundLogic SAS (the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through investment in transferable securities, cash deposits and near cash instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Sub-Fund may invest substantially in deposits with credit institutions and investors should be aware of the difference between the nature of a deposit and the nature of an investment in the Sub-Fund, in particular investors should note that the principal invested in the Sub-Fund is capable of fluctuation.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES ................................................................. 229
2. INVESTMENT RESTRICTIONS OF THE SUB-FUND .................................................. 232
3. INVESTMENT MANAGER ....................................................................................... 232
4. RISK MANAGER .................................................................................................... 233
5. RISK FACTORS AND INVESTMENT CONSIDERATIONS .................................... 233
6. DIVIDEND POLICY ............................................................................................... 235
7. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ......................... 235
8. CHARGES AND EXPENSES ................................................................................. 239
9. HOW TO SUBSCRIBE FOR SHARES ..................................................................... 240
10. HOW TO SELL SHARES ....................................................................................... 240
11. HOW TO EXCHANGE SHARES .......................................................................... 240
12. ESTABLISHMENT CHARGES AND EXPENSES .................................................. 240
13. OTHER CHARGES AND EXPENSES ..................................................................... 240
1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with returns based on (i) exposure to the Lynx Programme; (ii) investments in transferable securities and money market instruments issued by government issuers; and (iii) investments in cash deposits and cash equivalent securities as set out under the heading Investment Policy at 1.2 below.

Further information in respect of the Lynx Programme and the manner in which the Sub-Fund gains exposure to the Lynx Programme is set out in more detail under the heading Description of the Lynx Programme at 1.4 below.

1.2 Investment Policy

In order to achieve the Sub-Fund’s investment objective, the Investment Manager intends to invest the net proceeds of any issue of Shares in some or all of the instruments (each a “Fund Asset” and together the “Fund Assets”) set out below which shall be listed, traded and dealt with on one or more of the Markets set out in Appendix II of the Prospectus. Due to investment in the instruments noted below the Sub-Fund is likely to have a medium to high level of volatility.

(a) the Sub-Fund shall, in order to gain exposure to the Lynx Programme, invest in transferable securities in the form of structured financial instruments (“SFI”) selected by the Investment Manager. The SFI are a type of debt instrument which fall within the categorisation of “transferable securities” as contemplated by the Central Bank UCITS Regulations and Regulations. The SFI shall provide the Sub-Fund with exposure to the Lynx Programme (see Description of the Lynx Programme at 1.4 below). The SFI shall be issued by special purpose vehicles (initially three or more such vehicles established in either Jersey or Luxembourg) whose share capital will be held by a charitable trust. The SFI shall be independently valued by a third-party administrator (initially Crest Bridge) and shall be listed on one or more of the Markets set out in Appendix II of the Prospectus. The SFI shall provide exposure on a 1:1 basis to interests in a Cayman Island domiciled trading company which shall track the returns of the Lynx Programme. The SFI shall not embed leverage or derivatives. The investment by the Sub-Fund in the SFI shall not exceed 20% of the Net Asset Value of the Sub-Fund. Morgan Stanley & Co. International plc (the “Promoter”), acting in its capacity as dealer for the SFI (the “Dealer”), shall commit to purchase the SFI from the Sub-Fund at their most recent net asset value as calculated by the third-party administrator in the absence of Market Disruption Events which give rise to the temporary suspension or termination of the Sub-Fund (further details of which are set out under the heading Market Disruption Events at 1.6 below), subject to receiving two Business Days’ prior notice from the Sub-Fund;

(b) collective investment schemes both UCITS and AIFs which further the Investment Objective as set out under the heading Investment Objective at 1.1 above and in accordance with the requirements of the Regulations and the Central Bank. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such collective investment schemes;

(c) units or shares in closed-ended funds constituted as investment companies or as unit trusts, e.g. Cayman Island domiciled trading companies or unit trusts which further the Investment Objective as set out under the heading Investment Objective at 1.1 above, and which in accordance with the requirements of Schedule 2 of the Regulations are deemed to be investments in transferable securities. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such instruments;

(d) fixed income securities and money market instruments issued by government issuers which are listed, traded or dealt in on one or more of the Markets set out in Appendix II of the Prospectus. The fixed income securities and money market instruments in which the Sub-Fund may invest shall include (but not be limited to) treasury bills, fixed and floating rate bonds and zero coupon bonds that will be of investment grade or above. An investment in such fixed income securities and money market instruments may constitute up to 100% of the Net Asset Value of the Sub-Fund;

(e) cash deposits and near cash instruments for the purposes of cash management. Cash deposits shall include standard deposits such as bank certificates of deposit and bank deposits with credit institutions. An investment in cash deposits and near cash instruments may constitute up to 100% of the Net Asset Value of the Sub-Fund in the event that the Sub-Fund reduces its investment in SFI. For
example, the proportion of the Sub-Fund’s assets invested in cash deposits and near cash instruments is likely to be higher when the Investment Manager anticipates higher liquidity needs resulting from potential investor redemptions;

(f) financial derivative instruments (FDI) transactions, such as forward currency exchange contracts, currency futures, cross currency asset swaps or currency options for efficient portfolio management purposes. FDI can be used to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. See the section of the Prospectus headed Efficient Portfolio Management for more details in this regard; and

(g) transferable securities and money market instruments other than the securities referred to in paragraph (a) and (d) above such as unlisted securities. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such transferable securities and money market instruments.

1.3 Borrowing and Leverage

The Sub-Fund may invest up to 100% of the Net Asset Value of the Sub-Fund in Fund Assets as set out above. The Sub-Fund shall not have any short positions in Fund Assets except through the use of FDIs for the purposes of currency hedging.

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of the Sub-Fund and the Fund may charge the Fund Assets as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund may engage in transactions in FDIs (including forward currency exchange contracts, currency futures, cross currency asset swaps or currency options) for the purposes of efficient portfolio management and currency hedging within the conditions and limits laid down by the Central Bank from time to time. The level of leverage is expected to be minimal and will in any event not exceed 100% of the Net Asset Value of the Sub-Fund. FDI used for efficient portfolio management and hedging are not expected to have a material effect on the risk profile of the Sub-Fund. The Sub-Fund will use the commitment approach to measure its global exposure, together with leverage, shall not exceed 100% of its Net Asset Value.

The Sub-Fund may enter into repurchase and reverse repurchase agreements subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes, but will not enter into total return swaps or stock lending agreements. The Sub-Fund’s exposure to repurchase and reverse repurchase agreements is set out below (as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Repurchase Agreements / Reverse Repurchase Agreements</th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

1.4 Description of the Lynx Programme

As set out above, the Sub-Fund invests in Fund Assets (as detailed under the heading Investment Policy at section 1.2 above) and each of the Fund Assets set out in paragraph (a), (b) and (c) may provide exposure to the Lynx Programme. The Lynx Programme in turn provides exposure to a selection of futures and forward contracts in markets for currencies (such as the Australian Dollar, the New Zealand Dollar, Pounds Sterling and the Euro), fixed-income (examples being 10 Year US Treasury Bills, 2 Year Treasury Bills and 5 Year Treasury Bills), equity indices (such as the Euro Stoxx, FTSE equity indices and DAX equity indices) and commodities (such as corn futures and soya bean futures) selected by Lynx Asset Management AB (“Lynx”) in a diversified manner on a risk adjusted basis. In gaining exposure to the Lynx Programme, the Investment Manager seeks to offer Shareholders performance of a systematic strategy as applied to a broadly diversified portfolio of markets as further detailed below, while aiming to produce a different return to the global equities and bond markets.

The Lynx Programme systematically applies a series of proprietary algorithmic models to around 65 futures and forward markets across the four market sectors of currencies, fixed-income, equity indices and commodities. Lynx’s main approach is a systematic trend following strategy applied to a broadly diversified portfolio of markets. A trend following strategy aims at following the upward and downward trend of prices in a market. Lynx believes that the characteristics of a trend following strategy can be improved by adding non-trend following strategies. An example of a non-trend following strategy could be strategy that aims at generating positive returns when the upward or downward trend in prices is reversing in a market or when prices in a market are fluctuating in a narrow range. The ability of such a strategy to create positive returns when the markets are
moving within a narrow range is due to the fact that such a strategy can take a short position when an upward trend is showing signs of dipping or it can take a long position where a down trend begins to show signs of rising. Non-trend strategies also reduce the risk of Lynx Programme as they seek to benefit from market events other than those that are employed by trend following strategies, for example to anticipate when a market trend is beginning to decline which in turn allows Lynx to partly limit the impact of extreme market movement on the trend following strategies.

The models have different characteristics and in aggregate, they are used to make quantitative analyses of price fluctuations on the market. The models are designed to identify market situations in which there is an enhanced probability that future price changes will be in a certain direction. In addition to the types of models outlined above, the programme utilizes inter-market models that use inputs from more than one market when generating buy and sell signals. The programme also utilizes model that generate buy and sell signals for holding positions for short term period and models that generate buy and sell signals for holding positions over long term periods.

Thus, by using different models in conjunction with each other on each market, the Lynx Programme aims to generate a more stable risk-adjusted return than a pure trend following strategy.

The implementation of the Lynx programme is fully systematic. The proprietary models as outlined above generate buy and sell signals that are executed directly into the electronic markets using internally developed algorithms. The vast majority of Lynx's models are symmetrical, i.e. they use the same rules or logic to take short positions in future contracts as for long positions in future contracts.

Lynx programme as outlined above is fully systematic and as such the risk management is a feature of the systematic nature of the Lynx Programme and has been integrated into the Lynx Programme. The most important risk management tool at Lynx’s disposal is the built-in stop loss mechanism (i.e. an inbuilt system that prevents the Lynx Programme from becoming over or under exposed to any one position) within each model. An additional risk management tool is that as the Lynx Programme combines different strategies; the risk of extreme losses is expected to be reduced. This approach allows Lynx’s trend following strategy to capture market trends while limiting the Lynx Programme’s exposures when trends within the market reverse or when prices in a market are fluctuating in a narrow range as further described above.

1.5 Profile of a Typical Investor

The Sub-Fund is suitable for professional investors seeking capital growth who are prepared to accept a medium to high degree of volatility. The Sub-Fund may suit investors who are seeking to benefit from the potential diversification and non-correlation benefits of Lynx Programme. Typical investors are expected to be informed investors who understand and are willing to accept capital risk. Investors should have at least a 3 to 5-year investment horizon.

1.6 Market Disruption Events

A Market Disruption Event is the occurrence or existence of one or more of the following events, which occur in relation to any Fund Asset:

(i) it is not possible to obtain a price or value (or an element of such price or value) of any Fund Asset according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(ii) the calculation of the price or value of any Fund Asset is, at the relevant time, in the opinion of the Dealer in respect of SFI and/or the Investment Manager in relation to any Fund Asset impractical or impossible to make;

(iii) there is in connection with any Fund Assets (save for SFI) (A) a reduction in liquidity in or (B) materially increased cost of maintaining, establishing or unwinding any position in the determination of the Investment Manager;

(iv) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where any Fund Asset is traded; and/or there exists an event or circumstance that prevents or materially limits transactions in any Fund Asset. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so
determined by the Dealer in respect of SFI and in all other cases by the Investment Manager constitute a Market Disruption Event;

(v) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer in respect of SFI and in all other cases by the Investment Manager;

(vi) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Fund Asset into the Base Currency through customary legal channels, as determined by the Dealer in respect of SFI and in all other cases by the Investment Manager;

(vii) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Fund Asset to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Fund Asset between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer in respect of SFI and in all other cases by the Investment Manager;

(viii) a general moratorium is declared in respect of banking activities in London, Dublin or New York;

(ix) the occurrence of any early termination event or event of default or illegality affecting a Fund Asset or other breach of obligations by the issuer of a Fund Asset; and/or

(x) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affect the holding, acquisition, trading, transfer or hedging of a Fund Asset.

As set out above, upon the occurrence of a Market Disruption Event the Directors will temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or the Directors may, in certain circumstances, terminate the Sub-Fund.

2 INVESTMENT RESTRICTIONS OF THE SUB-FUND

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be either compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France.

The Investment Manager is regulated by the Autorité des Marchés Financiers in France. As at 30 April 2017, FundLogic SAS had approximately $4.4 billion of assets under management.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010 as amended and as may be further amended (the “Agreement”).

Subject to controls imposed by the Directors under the Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered
by the Investment Manager in good faith in accordance with the terms of its appointment or in pursuance of any request or advice of the Sub-Fund and/or Fund.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 3 months’ prior written notice (or such other period as may be agreed between the parties).

4 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), the Promoter has agreed to provide certain sub-funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the sub-funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under the Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the terms set out therein. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time.

5 RISK FACTORS AND INVESTMENT CONSIDERATIONS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

General Risks

Currency Risk

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in USD, Euro, Pound Sterling, or Swiss Franc into the USD, EUR, GBP or CHF denominated Share Classes respectively.

The EUR, GBP and CHF denominated Shares are Hedged Share Classes. To the extent that Share Class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund’s underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share Classes.

Depending on a Shareholder’s currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

Counterparty Risk

The Sub-Fund will purchase or enter into Fund Assets, including SFI, from several counterparties (not excluding the Promoter), which will expose the Sub-Fund to the issuer or credit risk of such counterparties and their ability to satisfy the terms of such contracts.

Risks and Investment Considerations Associated with the Lynx Programme and the Investment Manager
The Sub-Fund may be exposed to Entities Which Use Margin Funding

The Sub-Fund shall obtain exposure to the Lynx Programme by investing (in accordance with the Investment Policy) in SFI and unlisted securities. Such instruments may provide the Sub-Fund with direct or indirect exposure to entities which use debt financing or trade on margin (i.e. borrowing against the assets purchased) to obtain an optimum return on their equity capital. The use of such techniques may therefore increase the volatility of the price of the SFI and unlisted securities and as a result may impact the returns of the Sub-Fund.

Trading in Futures is Speculative and Volatile

The rapid fluctuations in the market prices of futures make an investment in the Lynx Programme volatile. Volatility is caused by, among other things: changes in supply and demand relationships; weather; agriculture, trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates. Lynx programme may not take account of all of these factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and this intervention may cause these markets to move rapidly.

Exposure to Commodities Involves Certain Risks

Indirect exposure to the commodities markets via investment in the SFI may subject the Sub-Fund to greater volatility than investments in traditional securities. The performance of the Lynx Programme may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Markets or Positions May Be Correlated and May Expose the Sub-Fund to Significant Risk of Loss

Different markets traded or individual positions may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. The Investment Manager cannot always predict correlation. Correlation may expose the Sub-Fund to significant risk of loss.

Increases in Assets Under Management Obtaining Exposure to the Lynx Programme Could Lead to Diminished Returns

Lynx does not intend to limit the amount of additional equity that it may manage, and it will continue to seek major new accounts which track the Lynx Programme. However, in general, the rates of returns often diminish as a trading advisor’s assets under management increase. This can occur for many reasons, including the inability to execute larger position sizes at desired prices and because of the need to adjust the Lynx Programme to avoid exceeding speculative position limits. These limits are established by the U.S. Commodity Futures Trading Commission and the exchanges on the number of speculative futures contracts in a commodity that one trader may own or control.

The Sub-Fund’s success is dependent on the performance of the Lynx Programme

Therefore, the success of the Sub-Fund depends on the judgment and ability of Lynx in selecting the futures contacts for the Lynx Programme. The Lynx Programme may not prove successful under all or any market conditions. If the Lynx Programme is unsuccessful, the Sub-Fund may incur losses.

The Sub-Fund’s objective is to provide Shareholders with returns based on the exposure to Lynx Programme; as such the performance of Lynx has an indirect impact on the Sub-Fund’s ability to meet its objective. Lynx, in turn, is dependent on the services of a limited number of persons to develop and refine its trading approaches and strategies and execute the trading transactions. The loss of the services of any of Lynx’s principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on that Lynx’s ability to manage its trading activities successfully, or may cause Lynx to cease operations entirely. This, in turn, could negatively impact the Sub-Fund’s performance.

The Sub-Fund Places Significant Reliance on the Relationships of the Sub-Fund with Third Parties

The Sub-Fund is dependent on the services of independent third parties to obtain exposure to the Lynx Programme. The loss of the services of any such third parties, including any licence to use the Lynx
Programme, may have an adverse effect on the Investment Manager’s ability to implement the Investment Policy of the Sub-Fund and achieve the Investment Objective of the Sub-Fund.

*Exposure to Currencies Involves Certain Risks*

The Sub-Fund’s indirect exposure to foreign currencies subjects the Sub-Fund to currency risk. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the relevant countries. In addition, the Sub-Fund may incur transaction costs in connection with conversions between various currencies.

*There Are Disadvantages to Making Trading Decisions Based on Technical Analysis*

The Lynx Programme will base trading decisions on mathematical analyses of technical factors relating to past market performance rather than fundamental analysis. The buy and sell signals generated by a technical, trend-following trading strategy are derived from a study of actual daily, weekly and monthly price fluctuations, volume variations and changes in open interest in the markets. The profitability of any technical, trend-following trading strategy depends upon the occurrence in the future of significant, sustained price moves in some of the markets traded. A danger for trend-following trading strategies is whip-saw markets, that is, markets in which a potential price trend may start to develop but reverses before an actual trend is realized. A pattern of false starts may generate repeated entry and exit signals in technical systems, resulting in unprofitable transactions. In the past, there have been prolonged periods without sustained price moves. Presumably these periods will continue to occur. Periods without sustained price moves may produce substantial losses for the Lynx Programme. Further, any factor that may lessen the prospect of these types of moves in the future, such as increased governmental control of, or participation in, the relevant markets, may reduce the prospect that the Lynx Programme will be profitable in the future.

*Limited Recourse*

A Shareholder will solely be entitled to look to the assets of the Sub-Fund in respect of all payments in respect of its Shares. If the realised net assets of the Sub-Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other sub-fund or any other asset of the Fund.

6 **DIVIDEND POLICY**

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Fund Assets and be reflected in the Net Asset Value of the relevant Class of Shares.

7 **KEY INFORMATION FOR PURCHASES AND SALES OF SHARES**

**Base Currency**

USD

**Classes of Shares**

Shares in the Sub-Fund will be available in different Classes as follows:
<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Minimum Subsequent Subscription/Minimum Repurchase Amount</th>
<th>Minimum Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar No</td>
<td>$1,000</td>
<td>$50,000</td>
<td>1.00% per annum</td>
<td>$10,000</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>Euro Yes</td>
<td>€1,000</td>
<td>€50,000</td>
<td>1.00% per annum</td>
<td>€10,000</td>
<td>€50,000</td>
<td></td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling Yes</td>
<td>£1,000</td>
<td>£50,000</td>
<td>1.00% per annum</td>
<td>£10,000</td>
<td>£50,000</td>
<td></td>
</tr>
<tr>
<td>Class A CHF Shares</td>
<td>Swiss Franc Yes</td>
<td>CHF1,000</td>
<td>CHF 50,000</td>
<td>1.00% per annum</td>
<td>CHF10,000</td>
<td>CHF 50,000</td>
<td></td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>US Dollar No</td>
<td>$1,000</td>
<td>$250,000</td>
<td>0.50% per annum</td>
<td>$10,000</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Euro Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>0.50% per annum</td>
<td>€10,000</td>
<td>€250,000</td>
<td></td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Pound Sterling Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>0.50% per annum</td>
<td>£10,000</td>
<td>£250,000</td>
<td></td>
</tr>
<tr>
<td>Class P CHF Shares</td>
<td>Swiss Franc Yes</td>
<td>CHF1,000</td>
<td>CHF250,000</td>
<td>0.50% per annum</td>
<td>CHF10,000</td>
<td>CHF250,000</td>
<td></td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.50% per annum</td>
<td>€10,000</td>
<td>€1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>0.50% per annum</td>
<td>$10,000</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.50% per annum</td>
<td>£10,000</td>
<td>£1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class I CHF Shares</td>
<td>Swiss Franc Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>0.50% per annum</td>
<td>CHF10,000</td>
<td>CHF1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class B EUR Shares</td>
<td>Euro Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.30% per annum</td>
<td>€10,000</td>
<td>€1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class B USD Shares</td>
<td>US Dollar No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>0.30% per annum</td>
<td>$10,000</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class B GBP Shares</td>
<td>Pound Sterling Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.30% per annum</td>
<td>£10,000</td>
<td>£1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class B CHF Shares</td>
<td>Swiss Franc Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>0.30% per annum</td>
<td>CHF10,000</td>
<td>CHF1,000,000</td>
<td></td>
</tr>
<tr>
<td>Class E EUR</td>
<td>Euro Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>N/A</td>
<td>€10,000</td>
<td>€1,000,000</td>
<td></td>
</tr>
<tr>
<td>Shares</td>
<td>Class E USD Shares</td>
<td>USD</td>
<td>Shares</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>N/A</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------------</td>
<td>-----</td>
<td>--------</td>
<td>----</td>
<td>-------</td>
<td>------------</td>
<td>-------</td>
</tr>
</tbody>
</table>

The minimum amounts set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate) either generally or in relation to any specific subscription or repurchase. Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount and / or the Minimum Holding. The Sub-Fund has the power to redeem the remaining holding of any Shareholder who redeems its holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class B EUR Shares, Class B USD Shares, Class B GBP Shares and Class B CHF Shares will be the initial investor Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach USD 100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

Class E USD Shares and Class E EUR Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The EUR, GBP and CHF denominated Share classes are Hedged Share Classes. In respect of the Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency and the currency in which the relevant Currency Hedged Share Class is denominated. Shareholders in EUR, GBP and CHF denominated Share Classes are referred to the description and risks related to Hedged Share Classes in the section of the Prospectus headed Risk Factors. All hedging transactions will be clearly attributable to the specific Hedged Share Class(es) and therefore currency exposures of different Share Classes shall not be combined or offset and currency exposures of assets of the Sub-Fund shall not be allocated to separate Share Classes.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

Initial Offer Period for each Share Class

Class B USD Shares, Class B EUR Shares, Class E EUR Shares, Class E USD Shares, Class I USD Shares, Class I EUR Shares, Class P USD Shares, Class P GBP Shares and Class P CHF Shares are issued at their Net Asset Value per Share on each Dealing Day.

The initial offer period for Share Classes other than the aforementioned Share Classes shall be from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Business Day

Every day (except legal public holidays in the United Kingdom, Ireland, France, Sweden or the United States of America and days on which the stock markets in London are closed) during which banks in Ireland, France, Sweden, the United Kingdom and the United States of America are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

Dealing Day

Every Business Day and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

Dealing Deadline

12 midday Irish time 3 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

Settlement Date

In the case of subscriptions, 12 midday Irish time on the Business Day prior to the relevant Dealing Day.
In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions, Shareholders will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

Valuation Point

Close of business on the relevant Dealing Day in the relevant markets.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

8 CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class P Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No repurchase charge shall be payable in respect of the Shares.

The Sub-Fund may also impose an anti-dilution levy or adjustment on net subscriptions or repurchases of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets.

Management Charge

The Fund will pay to the Investment Manager from the assets attributable to each Class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

In respect of the Class I Shares: 0.50% per annum.

In respect of the Class P Shares: 0.50% per annum.

In respect of the Class B Shares: 0.30% per annum.

In respect of the Class A Shares: 1.00% per annum.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the management charge. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

Risk Management, Administrator’s and Depositary’s Fees

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the Fund Assets or, if paid by the Depositary, shall be reimbursed to the Depositary out of the Fund Assets.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the
Prospectus will, save in respect of the fees of the Distributor, be paid out of the Fund Assets. The Investment Manager will be responsible for discharging the fees of the Distributor and any licensing fees out of its own fees.

Indirect Charges

The Sub-Fund will incur additional charges associated with obtaining exposure to the Lynx Programme. Such indirect charges include, for example and without limitation, fees and expenses of the Cayman trading company which acts as the underlying asset of the SFI which the Sub-Fund invests in and a management fee for the trading advisor of the Cayman Islands trading company. Such indirect charges shall accrue on a daily basis and not exceed 1.00% of the Net Asset Value of the Sub-Fund per annum. As a result of any investment in collective investment schemes or closed ended funds as further detailed in paragraphs (b) and (c) of section 1.2 Investment Policy, the Sub-Fund may pay a performance fee to the investment manager of any such collective investment schemes or closed ended funds in respect of any holdings it may have in such entities.

9 HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

10 HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

11 HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

12 ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

13 OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.
This Supplement contains specific information in relation to the MS Nezu Cyclicals Japan UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the "Fund"), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by Nezu Asia Capital Management Limited (“Nezu Hong Kong”) and Nezu Asia Capital Management (Singapore) Pte. Ltd (“Nezu Singapore”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

A significant amount of the Sub-Fund’s economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
<table>
<thead>
<tr>
<th></th>
<th>TABLE OF CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INVESTMENT OBJECTIVE AND POLICIES ..................................................................</td>
</tr>
<tr>
<td>2</td>
<td>INVESTMENT RESTRICTIONS</td>
</tr>
<tr>
<td>3</td>
<td>INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS</td>
</tr>
<tr>
<td>4</td>
<td>INVESTMENT MANAGERS</td>
</tr>
<tr>
<td>5</td>
<td>SUB-CUSTODIAN</td>
</tr>
<tr>
<td>6</td>
<td>SERVICE PROVIDER</td>
</tr>
<tr>
<td>7</td>
<td>RISK MANAGER</td>
</tr>
<tr>
<td>8</td>
<td>BORROWING AND LEVERAGE</td>
</tr>
<tr>
<td>9</td>
<td>RISK FACTORS</td>
</tr>
<tr>
<td>10</td>
<td>DIVIDEND POLICY</td>
</tr>
<tr>
<td>11</td>
<td>KEY INFORMATION FOR PURCHASING AND SELLING</td>
</tr>
<tr>
<td>12</td>
<td>CHARGES AND EXPENSES</td>
</tr>
<tr>
<td>13</td>
<td>HOW TO SUBSCRIBE FOR SHARES</td>
</tr>
<tr>
<td>14</td>
<td>HOW TO REPURCHASE SHARES</td>
</tr>
<tr>
<td>15</td>
<td>HOW TO EXCHANGE SHARES</td>
</tr>
<tr>
<td>16</td>
<td>ESTABLISHMENT CHARGES AND EXPENSES</td>
</tr>
<tr>
<td>17</td>
<td>OTHER CHARGES AND EXPENSES</td>
</tr>
<tr>
<td>18</td>
<td>OTHER INFORMATION</td>
</tr>
</tbody>
</table>
INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to seek long term capital appreciation through investment in a portfolio of long and short positions in Asian equity and equity related securities (as described below) with a primary focus on Japanese cyclical sector equities.

1.2 Investment Policy

The Sub-Fund will seek to achieve its investment objective by taking long and synthetic short positions primarily in equities and equity related securities (including, without limitation, common and preferred stock and American Depositary Receipts ("ADRs")) and convertible securities listed or traded on the recognised markets globally as referred to in Appendix II of the Prospectus. The Sub-Fund will primarily invest in equities and equity related securities of issuers based in Asia or who derive a substantial proportion of their returns from Asia.

The Sub-Fund will also invest in financial derivative instruments ("FDI") including exchange-traded derivatives (as described in more detail under "Information on Financial Derivative Instruments" below), OTC swap transactions, options on equities and / or equity related securities, forwards, futures on equities and / or equity related securities, and contracts for differences on equities and / or equity related securities listed or traded on the recognised markets globally referred to in Appendix II of the Prospectus. Moreover, the Sub-Fund may invest in exchange traded funds ("ETFs"), for investment and/or hedging purposes, subject to the overall limit on investment in collective investment schemes set out below. ETFs may be used for hedging purposes by taking synthetic short positions in index or sector ETFs to hedge the market / industry risk in individual stock positions.

The Sub-Fund may use participation notes ("P-notes") and warrants, together "Access Notes", to trade in otherwise restricted markets. For example, the Sub-Fund will obtain exposure to India, a restricted market, through P-Notes. P-notes will not embed derivatives or use leverage.

Convertible securities include preferred shares and convertible debt (including convertible bonds) that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. Convertible securities may include embedded options in which case leverage will be a component of such options.

The Access Notes in which the Sub-Fund may invest, will not include embedded derivatives or leverage.

The Sub-Fund will not take physical short positions.

The Sub-Fund primarily invests its assets in equities and equity related securities (as described above) with a primary exposure to Japanese cyclical sector equities at the discretion of the Investment Managers. The Sub-Fund will generally have 70% of its gross exposure in long and short positions in Japanese equities and equity related securities. The maximum net long exposure of the Sub-Fund is limited to 70% and the maximum net short exposure of the Sub-Fund is limited to -30% of its net assets. The Sub-Fund will not invest more than 30% of its gross exposure in emerging markets.

The Investment Managers may invest in securities of companies with any market capitalization range. Such investments may include companies having small or large market capitalizations.

The Sub-Fund may employ long (both direct and synthetic) and synthetic short positions. Synthetic positions are established through the use of FDI (as detailed below).

The FDI in which the Sub-Fund may invest are set out in the “Investment Process” and “Information on Financial Derivative Instruments” sections below and are in line with the investment strategies set out therein.

Investment Process

The investment process utilizes extensive company and industry level research to develop views on the relative attractiveness of many different cyclical sectors and their equities.
Cyclical sectors include (i) manufacturing sectors such as basic materials, resources, autos, machinery, semiconductors, electronic components and precision equipment and (ii) non-manufacturing sectors, such as advertising or airlines.

Such sectors are sensitive to either economic cycles or have clearly defined cycles of their own.

The Sub-Fund seeks to generate performance by identifying turning points in production, inventory and pricing cycles and by determining the equities it anticipates will win and lose as a result of these trends. The Sub-Fund’s investments are made in accordance with the view that the performance of cyclical stocks tends to be linked to accelerating or decelerating trends in production or pricing. This is because these trends often induce market participants to change their assumptions about earnings growth rates and reasonable price-earnings ratios for equities.

The Sub-Fund also focuses on structural change within sectors as a source of longer-term investment ideas. The Sub-Fund’s investments reflect the belief that new entrants, regionalization or globalization of a market place, technological change, and market saturation are all factors that determine the potential returns that can be generated by investing into a given sector. These factors create opportunities for clear winners and losers to emerge and hence provide medium-long term investment opportunities.

The Sub-Fund may seek to reduce concentration and sector specific risk in the portfolio by taking long and short positions in companies belonging to the same sector, on the basis of their relative competitiveness, cheapness, management quality or other relevant factors.

The Sub-Fund will buy and sell securities as described above frequently as part of its investment process. As disclosed above, the Sub-Fund may also invest in ETFs for both investment and/or hedging purposes within the general limit on investment in collective investment schemes set out below.

No more than 10% of the net asset value of the Sub-Fund may be invested in collective investment schemes, which includes all open-ended ETFs (which may be UCITS or AIFs which meet the requirements in respect of acceptable collective investment scheme investments for UCITS), which provide exposure to listed and unlisted equities and are consistent with the investment objective of the Sub-Fund. For the avoidance of doubt, closed-ended funds which meet the requirements for transferable securities under the Regulations will not be treated as collective investment schemes for the purposes of the limits on investment in collective investment schemes set out herein.

The Sub-Fund may, subject to the requirements laid forth by the Central Bank, enter into FDI transactions both for investment, hedging and efficient portfolio management purposes. The Sub-Fund may utilize equity and equity index options for both investment and hedging purposes. The Sub-Fund may take long positions synthetically through the use of FDIs. All short positions will be taken through the use of an FDI. FDIs may include swaps (including credit default swaps), options, futures and options on futures, contracts for differences (CFD) and forward currency exchange contracts. For example: (i) equity swaps and CFDs may be utilised for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market or for investment purposes; (iv) credit default swaps may be used to hedge the default risk in respect of certain investments; and (v) options on futures may be utilised to quantify the potential loss from a contract expiring in a loss position or for investment purposes. In addition, for example, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information on the types of FDIs that the Sub-Fund may enter into please see the section entitled Information on the Financial Derivative Instruments below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance titled UCITS Financial Derivative Instruments & Efficient Portfolio Management for clearance prior to the Sub-Fund engaging in using such FDIs.

FDIs may be exchange traded or over-the-counter.

The Sub-Fund will be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the Sub-Fund’s risk management process aims to ensure that on any day the relative VaR of the Sub-Fund will not exceed 2 times the VaR (based on a one-tailed confidence level of 99%, a holding period of one month and a historical observation period of one year) of the Benchmark Index,
which in this instance will be the Topix Index (the “Benchmark Index”). The Investment Managers may alter the Benchmark Index from time to time to any other benchmark which the Investment Managers determine, in their sole discretion, is generally representative of the Japanese equities market. Shareholders will not be notified in advance of any change in the Benchmark Index. However, such change will be communicated to Shareholders in the periodic reports of the Sub-Fund following such change and this Supplement will be updated prior to the implementation of such change. The ratio of long and synthetic short investments (which may be in either or both of equities and debt securities (please see the next paragraph in respect of investment in debt securities)) may vary through time. The maximum net short exposure of the Sub-Fund will be -30% and the maximum net long exposure will be +70% of net assets. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be generally between 150% and 250% of the net asset value of the Sub-Fund and will never exceed 400% of the net asset value of the Sub-Fund.

The Sub-Fund may also invest in ancillary liquid assets, which may include bank deposits, certificates of deposit, fixed or floating rate instruments, government securities, commercial paper, floating rate notes and freely transferable promissory notes. The fixed income securities in which the Sub-Fund may invest will be rated at or above investment grade and may be unrated and be either fixed or floating and government or corporate. Fixed income securities will be deemed to be investment grade, if they have a rating BBB- and/or above by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be above investment grade by the Investment Managers. The Sub-Fund will not invest in below investment grade fixed income securities.

The investments of the Sub-Fund (other than permitted unlisted investments) will be listed or traded on the markets referred to in Appendix II of the Prospectus.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps, “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Profile of a Typical Investor

An investment in the Sub-Fund is suitable for investors seeking long-term appreciation of capital. Shares in the Sub-Fund are available to both individual and institutional investors.

Investors must also satisfy the requirements of an “accredited investor” under the definition in the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), or investors in an equivalent class under the laws of the jurisdiction in which the offer to invest is made, and/or an “institutional investor” under the definition in the SFA. Further details in respect of this are set out in the Application Form.

2 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. In addition, the Sub-Fund will not directly invest in equity securities listed or traded on recognised markets in Russia.

The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include total return swaps, contracts for difference and credit default swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of the total return swaps can be single name securities, indices, custom baskets of securities, interest rates or currencies. The underlying reference assets of credit default swaps can be corporate debt obligations, sovereign debt, commercial mortgage-backed securities and retail mortgage-backed securities. A contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. The “buyer” in a credit default 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 obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract. The counterparties to swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund.

Options. The Sub-Fund may also enter into exchange-traded options and options traded over-the-counter (or OTC options) on equity and equity indices. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

Futures and Options on Futures. The Sub-Fund may also enter into futures and options on futures on equity and equity indices. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. Forward currency exchange contracts may be used for Share Class hedging purposes. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

4 INVESTMENT MANAGERS

The Fund has appointed the following entities as investment managers for the Sub-Fund (the “Investment Managers”):

Nezu Asia Capital Management Limited, a company incorporated under the laws of Hong Kong (“Nezu Hong Kong”), with its principal office at 22nd Floor, 8 Queen’s Road Central, Hong Kong.

Nezu Hong Kong is regulated by the Hong Kong Securities and Futures Commission under Registration No. AKY946.

Nezu Hong Kong is also registered with the U.S. Securities and Exchange Commission (the “SEC”) as an investment adviser under IARD/CRD 161506.

Nezu Asia Capital Management (Singapore) Pte. Ltd (“Nezu Singapore” and together with Nezu Hong Kong, the “Investment Managers”) a private limited company incorporated under the laws of
Nezu Hong Kong and Nezu Singapore are investment firms investing in public equities primarily in the Asia Pacific region, Japan and the emerging markets. Headquartered in Hong Kong and Singapore, respectively, Nezu Hong Kong and Nezu Singapore have affiliates in New York and Tokyo (together, the “Nezu Group”). The Nezu Group was established in 2000 and has 47 employees globally. In the aggregate, among all its strategies, the Nezu Group manages approximately US$1.1 billion as of 30 April 2017, primarily in Cayman offshore vehicles and as trading adviser to managed accounts for third parties. The Nezu Group’s client base consists primarily of North American, European, and Japanese fund of funds, pension funds and high net worth individuals.

Nezu Singapore is currently licensed by the Monetary Authority of Singapore as a capital markets services licence holder for fund management.

Nezu Singapore is also registered with the SEC as an investment adviser under IARD/CRD 162310.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Managers dated 11 July 2014 (as amended and as may be further amended) in relation to the Sub-Fund (the “Agreement”), all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Managers have discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that Nezu Singapore shall not be responsible for loss to the Fund or the Sub-Fund. Nezu Hong Kong shall not be responsible for loss to the Fund or the Sub-Fund except to the extent such loss is due to gross negligence (whether through an act or omission), wilful default, bad faith or fraud by itself, Nezu Singapore, their directors, officers, servants, employees, agents and appointees. Nezu Hong Kong shall indemnify and keep indemnified and hold harmless the Fund in the circumstances set out in the Agreement. The Agreement also provides that in the circumstances set out in the Agreement, (i) Nezu Hong Kong may be required to indemnify the Sub-Fund in respect of acts or omissions of Nezu Singapore and (ii) the Fund may be required to indemnify the Investment Managers.

The Agreement shall continue in force until terminated pursuant to the Agreement’s terms. Any party may terminate the Agreement by giving not less than three months’ prior written notice (or such other period as may be mutually agreed between the parties). The Agreement may be terminated at any time in the circumstances set out in the Agreement. To the extent that the Agreement is terminated by Nezu Singapore, the Agreement shall subsist as a valid and binding agreement between the remaining parties thereto, and any such termination by Nezu Singapore shall be without prejudice to the rights, duties and obligations of the remaining parties pursuant to the Agreement. For the avoidance of doubt, termination of the Agreement by the Fund or Nezu Hong Kong in accordance with the Agreement shall result in the Agreement being terminated in full and the termination of the appointment of both Investment Managers.

The Investment Managers are not responsible for the preparation of the Prospectus and Articles relating to the Fund and the Investment Managers accept no responsibility for the accuracy or completeness of the information contained therein.

As at the date of this Supplement, the Investment Managers have in place professional indemnity insurance. Either Investment Manager may from time to time if it considers appropriate in its discretion, put in place or procure to be put in place, such professional indemnity insurance covering such customary risks on such terms and conditions as such Investment Manager deems appropriate.

5 SUB-CUSTODIAN

Pursuant to an agreement dated 11 July 2014 (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSI plc”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and which is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the
Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless the Sub-Custodian’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to any of Depositary’s affiliates.

6 SERVICE PROVIDER

The Fund has appointed MSI plc (the “Service Provider”) to provide certain services to the Fund as service provider pursuant to a services agreement dated 11 July 2014 (as amended and as may be further amended) in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities. The Fund may also utilize Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund. As at the date of this Supplement, the key broker of the Sub-Fund is anticipated to be MSI plc. The Investment Managers may from time to time add to, delete or vary the lists of brokers with whom the Sub-Fund transacts.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

7 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

8 BORROWING AND LEVERAGE

The Fund may directly borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the Sub-Fund’s risk management process aims to ensure that on any day the relative VaR of the Sub-Fund will not exceed 2 times the VaR (based on a one-tailed confidence level of 99%, a
holding period of one month and a historical observation period of one year) of the Benchmark Index.

The Sub-Fund’s gross notional exposure is expected to be between 150% and 250% of the Net Asset Value of the Sub-Fund and will never exceed 400% of the net asset value of the Sub-Fund.

9  RISK FACTORS

9.1 The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

9.2 The following additional risk factors also apply:

Equity Investment Risk

The Sub-Fund purchases equity securities and hence is subject to the risk that stock prices will fall over short or extended periods of time. Investors can potentially lose all, or a substantial portion, of their investment in the Sub-Fund.

Dependence on Key Individuals

The success of the Sub-Fund depends upon the ability of the principals of the Investment Managers to develop and implement investment strategies that achieve the Sub-Fund's investment objective. If the principals of the Investment Managers were to become unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

Currency Risk

The Base Currency of the Sub-Fund is Japanese Yen. Shareholders may subscribe in Japanese Yen, Pounds Sterling, US Dollars or Euros into the JPY, GBP, USD and EUR denominated Share Classes respectively.

The USD, GBP and EUR denominated Shares are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the risk factor in the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share Classes.

Investment in Non-U.S. Securities

Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies, and utilization of currency spot and forward contracts and options on currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Investment Concentration in Japanese Equities

The Sub-Fund is expected to have significant exposure to Japanese equities and equity related securities and hence adverse market movements in Japanese equity markets, fluctuations in the Japanese economy or fluctuations in a particular industry or value of a security could result in considerable negative impact on the net asset value of the Sub-Fund. In addition, the investment portfolio of the Sub-Fund may be subject to more rapid change in value than would be the case if the Sub-Fund were required to maintain a wide diversification among companies, securities, regions and industry groups. In particular, market changes or other events affecting Japan may have a more significant effect on the Sub-Fund's portfolio.

Emerging Markets
Compared to developed markets, emerging markets usually present a greater degree of risk, such as less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favorable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

The inefficiency of the markets, the poor quality and reliability of official data published by governments or security exchanges and the non-uniformity of accounting and financial reporting standards make the analysis of emerging markets more complex and investment opportunities riskier. Additionally, low volume levels and low liquidity levels constitute entry and exit barriers magnified by the legal restrictions imposed by certain emerging markets governments.

**Investment in High Growth Industries**

Certain of the high growth companies (e.g., technology, communications and healthcare) in which the Sub-Fund may invest, may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which the Sub-Fund invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence.

Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many high growth companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company.

There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Fund invests.

Conversely, other companies may make infringement claims against a company in which the Sub-Fund invests, which could have a material adverse effect on such company.

The markets in which many high growth companies operate are extremely competitive.

New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Sub-Fund invests will successfully penetrate their markets or establish or maintain competitive advantages.

**Investment in Cyclical Equities**

Cyclical equities in which the Sub-Fund may invest tend to lose value more quickly in periods of anticipated economic downturns than non-cyclical equities. Companies that may be considered out of favour, particularly companies emerging from bankruptcy, may tend to lose value more quickly in periods of economic downturns, may have more difficulty in retaining customers and suppliers and, during economic downturns, may have relatively weak balance sheets during periods of economic downturns and may face difficulty in paying their debt obligations or finding additional financing.

**Market Capitalization Risk**

The Sub-Fund may invest in the stocks of companies having smaller market capitalizations, including mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.
Spread Trading and Arbitrage

A part of the Sub-Fund's long/short investment policy may involve spread positions between two or more securities or derivatives positions, or a combination of the foregoing. The Sub-Fund's trading operations also may involve arbitraging between two securities, between the security and security options markets, between derivatives and securities and/or options, between two derivatives and/or any combination of the above. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavourably causing a loss to the position.

"New Issue" Securities

The Sub-Fund may invest in initial public offerings ("IPOs"). As there is no prior public market for such securities, there can be no assurance that an active public market will develop or continue after an investment has been made. Securities purchased in IPOs carry additional risks beyond those in general securities trading. While these "new issues" may offer significant opportunities for gain because of wide fluctuations in price, such fluctuation could work to the material disadvantage of the Sub-Fund.

Performance Fee – No Equalisation

The methodology used in calculating the performance fees in respect of the Class B, Class R, Class A, Class P, Class I, Class D, Class H and Class S Shares may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the performance fee calculation).

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI, repo or securities lending agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund aims to mitigate its credit risk to its counterparties by receiving collateral but, to the extent that any FDI is not collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

Brokerage and Other Arrangements

In selecting brokers or dealers to effect portfolio transactions, the Investment Managers need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. The Investment Managers may cause commissions to be paid to a broker or dealer that furnishes or pays for research, services or equipment at a higher price than that which might be charged by another broker or dealer for effecting the same transaction. In the event that the Investment Managers do enter into soft commission arrangement(s) they shall seek to ensure that (i) the broker or counterparty to the arrangement will provide best execution to the Fund; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the Sub-Fund and/or other clients of the Investment Managers and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the following report of the Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

Broker Credit Risks

Assets deposited as margin with executing brokers need not be segregated from the assets of such executing brokers. Such assets may therefore be available to the creditors of such executing brokers in the event of their insolvency. The failure or bankruptcy of a broker may result in adverse consequences for the assets of the Sub-Fund and may in turn, have an adverse effect on the Net Asset Value of the Sub-Fund.
Settlement Risks

The Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in a number of less developed markets in Asia in relation to the settlement of securities transactions and custody of assets will provide increased risk. The clearing, settlement and registration systems available to effect trades in such markets are significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the net asset value and liquidity of the Sub-Fund.

Possible Adverse Tax Consequences

The Investment Managers cannot assure any investor that the relevant, applicable tax authorities (each a "Tax Authority") will accept the tax positions taken by the Investment Managers and/or the Sub-Fund. If any Tax Authority successfully contests a tax position taken by the Investment Managers and/or the Sub-Fund, the Investment Managers and/or the Sub-Fund may be liable for tax, interest or penalties and the investors may need to file or amend one or more tax returns.

Futures

Futures prices may be volatile. This volatility may lead to substantial risks and returns, possibly much larger than in the case of equity or fixed income investments. The Sub-Fund may trade futures on a leveraged basis. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Sub-Fund.

Futures trading may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Sub-Fund from promptly liquidating unfavourable positions, subjecting the Sub-Fund to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For the purposes of complying with speculative position limits, the Sub-Fund's outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Investment Managers or any agent of the Investment Managers. As a result, the Sub-Fund may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures.

Some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists and a trader may have limited recourse with respect to a contract. In addition, unless the Sub-Fund hedges against fluctuations in the exchange rate between the Japanese Yen (being the Base Currency of the Sub-Fund) and other currencies in which trading is done on non-Japanese exchanges, any profits that the Sub-Fund realises in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Sub-Fund could incur losses as a result of those changes.

Options

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

Compulsory Repurchase of Shareholder's Shares

The Directors have the right to repurchase, in accordance with the Articles, all of the Shares of any Share Class held by a Shareholder if a Shareholder fails to produce all required information for anti-money laundering purposes, or, given the potential pecuniary, regulatory, legal or material administrative disadvantages for the Fund, if a Shareholder is not or ceases to be an "accredited investor" (or an investor in an equivalent class under the laws of the jurisdiction in which the offer to invest is made) or an "institutional investor", each as defined under the Securities and Futures Act (Cap. 289).

Conflicts of Interest
The Investment Managers (and their principals, directors, shareholders, affiliates or employees) serve or may serve as investment manager or investment advisor to other client accounts and conduct investment activities for their own accounts (such entities and accounts are referred to collectively as the “Other Clients”). Such Other Clients may have investment objectives or may implement investment strategies similar to those of the Sub-Fund.

The Investment Managers (or their principals, directors, shareholders, affiliates or employees) may give advice or take action with respect to such Other Clients that differs from the advice given with respect to the Sub-Fund. It may not always be possible or consistent with the investment objectives of the Other Clients and of the Sub-Fund for the same investment positions to be taken or liquidated at the same time or at the same price.

In addition, purchase and sale transactions (including swaps) may be effected between the Sub-Fund and Other Clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commission or fee (except for customary transfer fees or fees paid to a third party broker) or other remuneration shall be paid in connection with any such transaction.

The Investment Managers (and their principals, directors, shareholders, affiliates or employees) may conduct any other business including any business within the securities industry.

### Dividend Policy

It is not the intention of the Directors to declare a dividend in respect of any Share class except for Class D GBP Shares. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the net asset value of the relevant Class of Shares for all Share Classes other than Class D GBP Shares.

The Directors intend to declare dividends in respect of Class D GBP Shares in respect of substantially all of the net income and realised and unrealised gains net of realised and unrealised losses arising from the assets attributable to such Shares.

Dividends are normally expected to be distributed at the end of December of each year, where profits are available, or at such other times determined by the Directors, in accordance with the provisions of the Prospectus and Memorandum and Articles of Association.

Under the Articles, the Directors are entitled to pay such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the Sub-Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends earned by the Sub-Fund) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the Sub-Fund, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

Each dividend declared on any outstanding Shares of the Sub-Fund will, at the election of each Shareholder, be paid in cash or in additional shares of the Share Class. This election should be made by the Shareholder while making an investment by indicating in the Application Form and can be changed by giving a written notice to the Fund at any time prior to the record date for a particular dividend or distribution, through the medium mentioned in the Application Form. If no election is made, all dividend distributions will be paid in the form of additional Shares. Such reinvestment will be made at the Net Asset Value per Share of the Share Class as of the Business Day on which such dividends are paid out of the Sub-Fund.

Upon the declaration of any dividends to Shareholders of a Share Class, the Net Asset Value of Shares of that Share Class will be reduced by the amount of such dividends. Payments of the dividends shall be made as indicated on a Shareholder’s Application Form, as amended from time to time, to the address or account indicated on the register of Shareholders. Where Shareholders elect reinvestment of dividends in additional Shares, each dividend due to the Shareholder will be credited to the Share Class by the Administrator for subscription of further shares.

With respect to the Distribution Shares, the Sub-Fund does not apply income equalisation and hence income per Share which is distributed or deemed distributed in the respect of a distribution period may be affected by the number of Shares in issue during that period.
To the extent that any dividend is declared, it will be paid in compliance with applicable laws. Any distribution of income for Shares that is unclaimed for a period of six years after having become due for payment, shall be forfeited and shall revert to the Sub-Fund.

11  KEY INFORMATION FOR PURCHASING AND SELLING

Base Currency

Japanese Yen

Classes of Shares

Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Fee</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class M USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class M JPY Shares</td>
<td>JPY</td>
<td>No</td>
<td>JPY 10,000,000</td>
<td>JPY 100,000,000</td>
<td>N/A</td>
<td>N/A</td>
<td>JPY 1,000,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class H EUR Shares</td>
<td>EUR</td>
<td>Yes</td>
<td>€1,000</td>
<td>€30,000,000</td>
<td>1%</td>
<td>20%</td>
<td>€1,000,000</td>
<td>10,000 Shares</td>
</tr>
<tr>
<td>Class S EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class S JPY Shares</td>
<td>JPY</td>
<td>No</td>
<td>JPY 100,000</td>
<td>JPY 100,000,000</td>
<td>1%</td>
<td>20%</td>
<td>JPY 1,000,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class S USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>1%</td>
<td>20%</td>
<td>US$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class S GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>1.25%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.25%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.25%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class R USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$1,000,000</td>
<td>1.25%</td>
<td>20%</td>
<td>$10,000,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class R EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.25%</td>
<td>20%</td>
<td>€10,000,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class R GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.25%</td>
<td>20%</td>
<td>£10,000,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>Currency</td>
<td>Shares</td>
<td>Minimum Initial Subscription Amount</td>
<td>Minimum Subsequent Subscription Amount</td>
<td>Minimum Holding</td>
<td>Minimum Repurchase Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>----------</td>
<td>--------</td>
<td>--------------------------------------</td>
<td>----------------------------------------</td>
<td>-----------------</td>
<td>--------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class C USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$6,000</td>
<td>US$ 30,000,000</td>
<td>1.00%</td>
<td>20%</td>
<td>$6,000,000</td>
<td>500 Shares</td>
</tr>
<tr>
<td>Class C EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€6,000</td>
<td>€ 30,000,000</td>
<td>1.00%</td>
<td>20%</td>
<td>€6,000,000</td>
<td>500 Shares</td>
</tr>
<tr>
<td>Class C GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£6,000</td>
<td>£ 30,000,000</td>
<td>1.00%</td>
<td>20%</td>
<td>£6,000,000</td>
<td>500 Shares</td>
</tr>
<tr>
<td>Class D GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£ 100,000,000</td>
<td>1.25%</td>
<td>20%</td>
<td>£10,000,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$ 1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£ 1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$ 250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£ 250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>US$1,000</td>
<td>US$ 10,000</td>
<td>2.25%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.25%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£ 10,000</td>
<td>2.25%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified in advance of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding.

The Class S EUR Shares, Class S USD Shares, Class S JPY Shares and Class S GBP Shares will be the seed investment Share Classes. It is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$50 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

The Class B EUR Shares, Class B USD Shares and Class B GBP Shares will be the early bird Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for

---

The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified in advance of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding.

The Class S EUR Shares, Class S USD Shares, Class S JPY Shares and Class S GBP Shares will be the seed investment Share Classes. It is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$50 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

The Class B EUR Shares, Class B USD Shares and Class B GBP Shares will be the early bird Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for
subscription at any time after the initial offer period set out below.

Class M USD Shares and Class M JPY Shares (collectively, the “Class M Shares”) are only available to investors who have agreed separate fee arrangements with the Investment Managers.

The GBP, USD and EUR denominated Share classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Managers will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. Such transactions will be allocated solely to the relevant Currency Hedged Share Class. Therefore, currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Share Classes. Investors in GBP, USD and EUR denominated Share Classes are referred to the description and risks related to Currency Hedged Share Classes in the section of the Prospectus headed Risk Factors.

Investors must subscribe into a Share class in the currency in which that Share class is denominated. Repurchase payments are also made in the currency in which the relevant Share class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period for each Share Class**

Class C EUR Shares, Class I USD Shares, Class M USD Shares, Class P USD Shares, Class R EUR Shares, Class S EUR Shares are issued at their Net Asset Value per Share on each Dealing Day.

Class B EUR Shares, Class H EUR Shares, Class B EUR Shares, Class I EUR Shares, Class A EUR Shares, Class A JPY Shares, Class R USD Shares, Class R GBP Shares, Class S USD Shares and Class S JPY Shares have been fully redeemed and can be reissued at the initial offer price from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

The initial offer period for Share Classes other than the aforementioned Share Classes shall be from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

**Business Day**

Every day (except legal public holidays in the United Kingdom, Japan or Ireland or days on which the stock markets in London or Tokyo are closed) during which banks in Ireland and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Friday (except legal public holidays in the United Kingdom, Japan or Ireland or days on which the stock markets in London or Tokyo are closed) during which banks in Ireland and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

In the case of subscriptions, 12 midday Irish time 2 Business Days prior to the relevant Dealing Day.

In the case of repurchases, 12 midday Irish time 3 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion and in exceptional circumstances, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions, by 12 midday Irish time 2 Business Days after the relevant Dealing Day.
In the case of redemptions, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

In the case of transferable securities and listed FDI, the valuation point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the valuation point will be the close of business on the Dealing Day of the markets relevant to the underlying assets to which the FDIs relate or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the net asset value is determined will always be after the Dealing Deadline.

**Dilution Levy**

In the case of the Sub-Fund, if total requests for net subscriptions / redemptions from Shareholders on any Dealing Day exceed the higher of: (i) 10% of the previous Dealing Day’s Net Asset Value of the Sub-Fund or (ii) €50 million, a dilution levy may be imposed in respect of such net redemptions / subscriptions of no more than 0.5% of the net subscription / redemption amount. The levy shall be imposed to cover dealing costs and to preserve the value of the underlying assets of the UCITS and shall be borne pro rata by each of the redeeming / subscribing Shareholders based on the size of each Shareholder’s net subscription/redemption request relative to the total net subscription/ redemption requests in respect of that Dealing Day.

**Bid Offer**

In addition, notwithstanding the provisions of the Prospectus, in the event of substantial or recurring net subscriptions, the Directors will not adjust the Net Asset Value per Share to reflect the value of the Fund’s assets using the lowest market dealing offer price in order to preserve the value of the shareholding of continuing Shareholders. In the event of substantial or recurring net redemptions, the Directors will not adjust the Net Asset Value per Share to reflect the value of the Fund’s assets using the highest market dealing bid price in order to preserve the value of the shareholding of continuing Shareholders.

**Redemption Gate**

Notwithstanding the provisions of the section of the Prospectus entitled **Repurchase of Shares:**

(i) If total requests for repurchase on any Dealing Day exceed the higher of: (i) €50 million or (ii) 10% of the Net Asset Value of the Sub-Fund, the Directors may in their discretion refuse to redeem any Shares in excess of the higher of €50 million or 10% of the Net Asset Value of the Sub-Fund. Any request for repurchase on such Dealing Day shall be reduced rateably and the repurchase requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been repurchased.

(ii) Where a deferred repurchase request (as set out in paragraph (i) above) was originally submitted in respect of a Dealing Day when the Net Asset Value of the Sub-Fund was equal to or less than €160 million, such deferred repurchase request shall be satisfied in full after a maximum of 2 Dealing Days (including the Dealing Day in respect of which the deferred repurchase request was submitted).

Where a deferred repurchase request (as set out in paragraph (i) above) was originally submitted in respect of a Dealing Day when the Net Asset Value of the Sub-Fund was greater than €160 million and equal to or less than €250 million, such deferred repurchase request shall be satisfied in full after a maximum of 3 Dealing Days (including the Dealing Day in respect of which the deferred repurchase request was submitted).
Where a deferred repurchase request (as set out in paragraph (i) above) was originally submitted in respect of a Dealing Day when the Net Asset Value of the Sub-Fund was greater than €250 million, such deferred repurchase request shall be satisfied in full after a maximum of 4 Dealing Days (including the Dealing Day in respect of which the deferred repurchase request was submitted).

Redemption in Kind

Notwithstanding the section of the Prospectus entitled **Repurchase of Shares**, any repurchase request which the Directors determine should be satisfied in whole or in part by an in-kind distribution of securities of the Sub-Fund in lieu of cash, shall require the consent of the relevant Shareholder. Asset allocation will be subject to the approval of the Depositary. Should the Shareholder require that the Sub-Fund, instead of transferring those assets, arrange for their sale, the payment of the net proceeds of sale, less any duties and charges, will be made to that Shareholder. Shareholders who receive securities in lieu of cash upon repurchase should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the repurchasing Shareholder of the securities may be more or less than the repurchase price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the securities.

12 CHARGES AND EXPENSES

**Initial, Exchange and Repurchase Charges**

With respect to Class A GBP Shares, Class A USD Shares and Class A EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P GBP Shares, Class P USD Shares and Class P EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No exchange or repurchase charges shall be payable in respect of the Shares.

The Sub-Fund may impose an anti-dilution levy or adjustment on the issue or repurchase of Shares as further described in the section of the Prospectus entitled **Issue and Repurchase Prices/Calculation of net asset value/Valuation of Assets**. Investors should note that this anti-dilution levy includes any cost associated with the purchase or sale of investments including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other transaction costs.

**Management Fee**

The Fund will pay in aggregate to the Investment Managers from the assets attributable to each Class of Shares of the Sub-Fund the following fees (“Management Fees”) which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

- 2.25% per Class A GBP Share, Class A USD Share and Class A EUR Share (collectively, the “Class A Shares”);
- 1.5% per Class I GBP Share, Class I USD Share and Class I EUR Share (collectively, the “Class I Shares”);
- 1.5% per Class P GBP Share, Class P USD Share and Class P EUR Share (collectively, the “Class P Shares”);
- 1.25% per Class B GBP Share, Class B USD Share and Class B EUR Share (collectively, the “Class B Shares”)
1.25% per Class R GBP Share, Class R USD Share and Class R EUR Share (collectively, the “Class R Shares”)

1.00% per Class C GBP Share, Class C USD Share and Class C EUR Share (collectively, the “Class C Shares”)

1.25% per Class D GBP Share (collectively, the “Class D Shares”)

1.0% per Class S GBP Share, Class S USD Share, Class S JPY Share and Class S EUR Share (collectively, the “Class S Shares”); and

1.0% per Class H EUR Share

No management fee is payable in respect of the Class M Shares.

Performance Fee

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the “Performance Fee”) is payable in total to the Investment Managers, of 20% in respect of the Class A Shares, Class P Shares, Class S Shares, Class D Shares, Class B Shares, Class C Shares, Class R Shares, Class H Shares and the Class I Shares; of the net appreciation in the net asset value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

No performance fee is payable in respect of the Class M Shares.

“Performance Fee Payment Date” shall mean the date at which the Performance Fee crystallised during a Calculation Period is paid. The Performance Fee Payment Date will be within 14 calendar days of the end of the relevant Calculation Period.

For the first Calculation Period, the “High Water Mark Net Asset Value” means the net asset value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The relevant initial offer price will be taken as the starting price for the calculation of the initial Performance Fee for a Share Class.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period. With regard to redemptions, the High Water Mark Net Asset Value for a Share Class is decreased by an amount equal to the percentage which such redemptions represent of the net asset value of the Class on the relevant Dealing Day (i.e., if a redemption equal to 5% of the net asset value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, the High Water Mark Net Asset Value for a Share Class is increased by an amount equal to the value of the subscription.

For each subsequent Calculation Period for a Share Class, the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the net asset value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee shall be equal to 20% for Class S, Class H, Class I, Class P, Class B, Class R, Class D, Class A and Class C Shares of the amount by which the net asset value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period.
For the purposes of the Performance Fee calculation, the net asset value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the net asset value of a Share Class exceeds the High Water Mark Net Asset Value on which a performance fee was paid. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the net asset value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on or before the Performance Fee Payment Date to the Investment Managers.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Managers within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on a redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

It should be noted that as the net asset value may differ between Share Classes, separate Performance Fee calculations will be carried out for separate Share Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.

**Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provided by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

**Fees Payable to the Service Provider**

The Fund will pay to the Service Provider from the assets attributable to each Class of Shares of the Sub-Fund such fees as may be agreed between the parties in writing and be amended upon reasonable notice. These fees are in addition to transaction charges and related fees, charges and costs payable to the Service Provider in relation to the execution of transactions, the failure of transactions to clear, costs in relation to the exercise of any corporate action or voting rights by the Service Provider on behalf of the Fund and any associated fees, charges or costs. The various fees, transaction charges and costs outlined above will not exceed normal commercial rates.

**On-going Charges and Expenses**

The additional charges and expenses specified in the section entitled *On-going Charges and Expenses* in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets...
of the Sub-Fund. The Investment Managers will be responsible for discharging the fees of the Distributor out of their own fees.

13 HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

14 HOW TO REPURCHASE SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

15 HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

16 Establishment Charges and Expenses

The cost and expenses of establishing the Sub-Fund were paid by Morgan Stanley & Co. International plc.

17 Other Charges and Expenses

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.

18 Other information

Services Agreement

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, wilful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result of, or in connection with, or arising out of, the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, wilful default, negligence, breach of applicable law or regulation (other than where the
breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the rules of the Financial Conduct Authority (the “FCA”). Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Agreement, be client money for the purposes of the FCA rules and will therefore be subject to the client money protections conferred by the FCA rules.

Either party may terminate the Services Agreement by giving at least five business days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies or the Fund to perform of any or all of its respective obligations thereunder.

**Personal Data Protection**

A shareholder’s personal data may be utilised by the Fund for any of the following purposes:

(a) to properly identify the shareholder in accordance with anti-money laundering regulatory requirements;
(b) to properly record the shareholder’s interest and dealings in the Sub-Fund in accordance with relevant corporate laws and regulations;  
(c) to advise the shareholder of matters relating to its investment in the Sub-Fund, including current values and changes to Sub-Fund documentation etc.;
(d) to meet legal and regulatory requirements of the Fund and its services providers and delegates,
(e) to open an account for the shareholder;
(f) to process a transaction for the shareholder’s account;  
(g) to respond to court orders and legal investigations;
(h) for other legitimate business interests of the Fund notified to the shareholder from time to time.

Such information may be processed on behalf of the Fund by the Administrator and its delegates. This information may also be disclosed to the Investment Managers, a sub-investment manager, the Distributor(s) and the Depositary for the purposes of the provision by them of services to the Fund pursuant to their contracts with the Fund. The Investment Managers may use the information disclosed to them, on their own account, (i) for the purposes set out above; (ii) to provide advisory services to the shareholder; and / or (iii) as otherwise agreed with, or for legitimate business interests notified to, the shareholder from time to time.

By agreeing to invest in the Sub-Fund, a shareholder acknowledges and accepts that the Fund, and the Investment Managers may hold and process personal data for the purposes outlined above and further acknowledges and accepts that:

(a) information supplied on the Subscription Agreement and otherwise in connection with the shareholder’s subscription may be disclosed by the Fund to the Investment Managers and/or the Administrator and will be used for the purposes of processing the shareholder's subscription and completion of information on the register of investors, and may also be used for the purpose of carrying out the shareholder’s instructions or responding to any enquiry purporting to be given by the shareholder or on its behalf, dealing in any other matters relating to the shareholder’s holding (including the mailing of reports or notices), forming part of the records of the recipient as to the business carried on by it, observing any legal, governmental or regulatory requirements of any relevant jurisdiction (including any disclosure or notification requirements to which any recipient of the data is subject, and which may include disclosure to the Central Bank, foreign regulators, domestic and foreign tax and revenue authorities and auditors). All such information may be retained after the termination of the Sub-Fund or the transfer of the shareholder’s holding; and
(b) the Fund, the Directors, the Investment Managers and/or the Administrator may, subject to the requirements of applicable law relating to personal information, disclose and transfer such information to the auditors to the Fund, the trading counterparties to the Sub-Fund, the Investment Managers including any of their employees, officers, directors and agents and/or their affiliates or to any third party employed to provide administrative, computer or other services or facilities to any person to whom data is provided or may be transferred as aforesaid, and/or to any regulatory authority entitled thereto by law or regulation (whether statutory or not) in connection with the shareholder's investment in the Sub-Fund.

In connection with the above, information in relation to a shareholder may be transferred for processing to countries outside the European Economic Area (“EEA”) that either do not have data protection laws or have data protection laws that do not provide the same level of protection as EU Data Protection law. Details of countries to which such information may be transferred are available from the Fund.

To the extent that the information provided by a shareholder relates to another individual, the shareholder warrant that it has been authorised by the relevant individual to consent, on that individual’s behalf, to the use of such information as relates to that individual (including the transfer of any such information outside the EEA) in the manner outlined above.

By completing the Application Form in respect of the Sub-Fund and/or investing in the Sub-Fund, shareholders expressly consent (to the extent such consent is required) to the use of any information relating to them (including the transfer of any such information outside the EEA) in the manner outlined above.
FundLogic Alternatives plc
Promoter and Distributor
Morgan Stanley & Co. International plc

Supplement dated 21 July 2017

for

MS Tremblant Long/Short Equity UCITS Fund

This Supplement contains specific information in relation to the MS Tremblant Long/Short Equity UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by Tremblant Capital LP (“Tremblant” or the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES ................................................................. 266
2. THE TOTAL RETURN SWAPS ...................................................................................... 269
3. THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY .......................... 270
4. INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO ....................... 270
5. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS ................................ 270
6. INVESTMENT MANAGER ......................................................................................... 271
7. RISK MANAGER ................................................................................................... 271
8. BORROWING AND LEVERAGE ............................................................................... 272
10. DIVIDEND POLICY ............................................................................................... 275
11. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ....................... 275
13. CHARGES AND EXPENSES .................................................................................. 278
14. HOW TO SUBSCRIBE FOR SHARES ..................................................................... 281
15. HOW TO SELL SHARES ......................................................................................... 281
16. HOW TO EXCHANGE SHARES ............................................................................... 281
17. ESTABLISHMENT CHARGES AND EXPENSES .................................................... 281
18. OTHER CHARGES AND EXPENSES .................................................................... 281
19. OTHER INFORMATION ......................................................................................... 281
1. INVESTMENT OBJECTIVE AND POLICIES

1.1. Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with a return linked to the performance of a reference portfolio (the "Reference Portfolio"), described in more detail under the heading Description of the Reference Portfolio at 1.2.1 below.

1.2. Investment Policy

The Sub-Fund is exposed to the economic performance of the Reference Portfolio, which is primarily comprised of long and short equity positions in global equity and equity related securities that are listed or traded in Appendix II of the Prospectus and are described in more detail in Description of the Reference Portfolio at 1.2.1 below, by investing in:

1. Total return swap (the "Portfolio Total Return Swap"). The Portfolio Total Return Swap will give the Sub-Fund economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. The performance of the Sub-Fund will primarily be determined by the performance of the Reference Portfolio and, at the sole discretion of the Investment Manager where it deems relevant, up to a limit of 20% of the net asset value of the Sub-Fund in;

2. Participation notes ("P-notes") and warrants primarily listed or traded on one or more of the Markets set out in Appendix II of the Prospectus, (together "Access Notes"), that provide exposure to certain equity and equity related securities that are listed or traded in otherwise restricted markets and are components of the Reference Portfolio. For example, the Sub-Fund will obtain exposure to Indian securities, a restricted market, using P-notes. The Access Notes that Fund will invest in will not embed derivatives or use leverage.

The Sub-Fund expects to purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty under an unfunded total return swap (the "Funding Swap") in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above. The floating rate of return received by the Sub-Fund from the approved counterparty is expected to be ICE LIBOR USD 1 Month (ie the interest rate at which depository institutions are willing to lend to each other) or any of its successor publication.

1.2.1 Description of the Reference Portfolio

The Reference Portfolio is a notional portfolio representative of a dynamically managed portfolio of investments primarily consisting of long and short equity positions which will be made by the Investment Manager in implementing its strategy to generate superior risk-adjusted returns over a broad range of market environments (the "Tremblant Investment Strategy"). The Reference Portfolio may also consist of other instruments such as fixed income securities, collective investment schemes and financial derivative instruments ("FDIs") as set out in further detail in Underlying Instruments of the Reference Portfolio below.

Tremblant Investment Strategy

The Tremblant Investment Strategy is proprietary to the Investment Manager. The strategy aims at investing primarily in equities and equity related securities (including, without limitation, common and preferred stock, equity options, equity swaps and equity contracts for difference) listed or traded on markets referred to in Appendix II of the Prospectus. The strategy does not have a particular industry, geographical or sectoral focus. The strategy may also be exposed to fixed income, collective investment schemes and FDIs as described below. The strategy may only enter into short positions through the use of FDIs as set out in more detail below.

The strategy is characterised by a fundamental and research driven approach to investing. The investment process aims to identify attractive investment opportunities based on a thorough understanding of underlying company’s business and financial models as described in more detail below.
Analysis of a Business Model

The Investment Manager evaluates potential investment opportunities based on a strategic business analysis of a company, which typically includes an assessment of its industry dynamics, quality of management, long-term growth prospects, supplier and buyer power, raw material supply chain, pricing and competitive landscape. The Investment Manager employs a combination of research methods including but not limited to on-site meetings with company management teams proprietary and external research with an objective to assess the ability of a company to succeed based on its business model.

Analysis of Financial Model

The financial analysis generally includes an assessment of cash flows, return on capital, quality and stability of earnings, valuation and other relevant factors. The assessment of cash flows and return on capital normally involves a rigorous financial analysis to determine whether a company is generating or losing cash and whether a company is creating or destroying economic value for its shareholders. Further, the Investment Manager places high importance on the “quality of earnings” of a company, which is determined by an evaluation of a company’s accounting practices as compared to its industry peers, as well as changes in accounting assumptions. Valuation involves an analysis of whether the market price of the security accurately reflects the true value of the underlying company.

The investment process thus aims to achieve a stock selection such that long positions are taken in securities where an underlying company exhibits positive characteristics on one or more of the above parameters and short positions are taken in securities where an underlying company exhibits negative characteristics on one or more of the above parameters.

Underlying Instruments of the Reference Portfolio

Although the Tremblant Investment Strategy focuses on equity and equity-related securities that are publicly traded, it may invest in a highly diverse range of instruments as set out below.

The Reference Portfolio will seek to achieve capital appreciation by investing primarily in equity and equity-related securities including common stock, preferred shares and convertible securities listed on publicly traded markets referred to in Appendix II of the Prospectus. The Reference Portfolio does not have a specific industry, sector or geographical focus.

The Reference Portfolio may use Access Notes primarily listed or traded one or more of the Markets set out in Appendix II of the Prospectus, to trade in otherwise restricted markets. For example, the Reference Portfolio will obtain exposure to India, a restricted market, through P-Notes. The Access Notes in which the Reference Portfolio may invest will not include embedded derivatives or leverage.

Convertible securities include preferred shares and convertible debt (including convertible bonds) that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. Convertible securities may embed options in which case they will embed leverage.

The Reference Portfolio may also consist of other instruments such as fixed income securities, collective investment schemes and financial derivative instruments, further details of which are set out below (“FDIs”). In certain market conditions the Investment Manager may aim to have lower equity exposure in the Reference Portfolio to protect against downside risk in the strategy. In such cases the Investment Manager may invest in fixed income securities and collective investment schemes.

The fixed income securities in which the Reference Portfolio may invest will be rated at or above investment grade and may be unrated and may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper. Fixed income securities will be deemed to be investment grade, if they have a rating BBB- and/or above by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be above investment grade by the Investment Manager. The Reference Portfolio will not invest in below investment grade fixed income securities. The Reference Portfolio will invest in fixed income securities to capitalise on investment opportunities as they arise e.g. taking a long position in fixed income securities that the Investment Manager expects to appreciate. No more than 10% of the net asset value of the Reference Portfolio will be invested in fixed income securities.
No more than 10% of the net asset value of the Reference Portfolio may be invested in either UCITS or eligible AIF collective investment schemes (including regulated ETFs, investment companies, investment limited partnerships, and unit trusts), which provide exposure to listed and unlisted equities and debt securities and are consistent with the investment objective of the Sub-Fund. ETFs may be used by the Reference Portfolio in seeking capital appreciation or for hedging purposes. Typically, an ETF holds a portfolio of common stocks designed to track the performance of a particular index or a “basket” of stocks of companies within a particular industry sector or group. The Reference Portfolio may hedge-market / industry risk inherent in individual equities by taking synthetic short exposures to ETFs which seek to track the performance of indices or sectors relevant to such equities. Any such collective investment scheme will not charge annual management fees of in excess of 5% of those underlying funds’ respective net asset values and will be domiciled in the European Economic Area, Jersey, Guernsey, the Isle of Man or the United States.

The Reference Portfolio may, subject to the requirements laid forth by the Central Bank, enter into FDI transactions both for investment, hedging and efficient portfolio management purposes. The Reference Portfolio may utilize equity and equity index options for both investment and hedging purposes. The Reference Portfolio may take long positions synthetically through the use of FDIs. All short positions will be taken by the Sub-Fund through the use of an FDI. FDIs may include swaps (including credit default swaps), options, futures and options on futures, contracts for differences (CFD) and forward currency exchange contracts. The Reference Portfolio may utilise: (i) equity swaps and CFDs for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) single name or index futures in order to hedge the equity portion of the portfolio from movements in equity markets or individual stocks, as applicable or for investment purposes; (iv) foreign currency exchange options to hedge against underlying currency risk in the Reference Portfolio or for other investment purposes. (v) credit default swaps to hedge the default risk in respect of certain investments (vi) interest rate swaps and swaptions to take exposure to or hedge underlying interest rates; and (vii) options on futures to quantify the potential loss from a contract expiring in a loss position or for investment purposes.

FDIs may be exchange traded or over-the-counter.

The Reference Portfolio may, from time to time, hold all or a portion of its assets in cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances, when opportunities are limited or in other circumstances deemed appropriate by the Investment Manager.

FDIs in which the Reference Portfolio may invest may be exchange-traded or OTC.

This is a summary of the Reference Portfolio. There is no assurance that the Reference Portfolio’s objective will be achieved. The strategy may use all or any of these investment techniques and instruments to pursue its investment objective or for hedging purposes.

1.2.2 General

The Sub-Fund will hold exposure through the Portfolio Total Return Swap and eligible transferable securities to the Reference Portfolio. Investors should note that the Reference Portfolio itself may be leveraged. The ratio of long and short investments (which in the case of long and short investments will be primarily equity and equity-related securities) may vary through time as long positions may form the majority of portfolio positions at certain times and short positions may form the majority at others. Under normal market conditions, the Sub-Fund’s gross exposure including leverage inherent in the Reference Portfolio will generally have a long term average of 250% to 350%. Further, in a volatile market environment, the Investment Manager may decrease the Sub-Fund’s gross exposure dramatically.

The Sub-Fund will be leveraged through the use of FDIs. In accordance with the requirements of the Central Bank, the Sub-Fund’s risk management process aims to ensure that on any day the relative VaR of the Sub-Fund will not exceed 2 times the VaR (based on a one-tailed confidence level of 99%, a holding period of one month and a historical observation period of one year) of the Benchmark Index, which in this instance will be the MSCI World Index (the “Benchmark Index”). The Investment Manager, subject to the approval of the Directors may alter the Benchmark Index from time to time to any other benchmark which the Investment Manager may determine, in its sole discretion, is generally
representative of the global equities market. Shareholders will not be notified in advance of any change in the Benchmark Index. However, such change will be communicated to Shareholders in the periodic reports of the Sub-Fund following such change and this Supplement will be updated prior to the implementation of such change. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be generally between 250% and 350% (including leverage inherent in the Reference Portfolio) of the Net Asset Value of the Sub-Fund and will never exceed 450% of the Net Asset Value of the Sub-Fund.

The “long” exposure of the Reference Portfolio is expected to be within a range of 20% to 150% of the net assets and the “short” exposure is expected to be within a range of 0% to 150% of net assets.

The Sub-Fund may retain amounts in cash or investment grade cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances), pending re-investment, or for use as collateral, arising from the Sub-Fund’s use of FDIs if this is considered appropriate to the investment objective.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps, “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>200%</td>
<td>250%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreements</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the Reference Portfolio.

The Sub-Fund may not enter into fully funded swaps.

The Sub-Fund and the Reference Portfolio will only utilise those derivatives that are listed in the risk management process in respect of the Sub-Fund and that have been cleared by the Central Bank.

The Sub-Fund may enter into FDI transactions, such as forward currency exchange contracts to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information in respect of forward currency exchange contracts please see the section entitled Information on the Financial Derivative Instruments below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance titled UCITS Financial Derivative Instruments and Efficient Portfolio Management prior to the Sub-Fund engaging in using such FDIs.

Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a long-term appreciation of capital. Shares in the Sub-Fund will be available to both retail and institutional investors.

2. THE TOTAL RETURN SWAPS

The Sub-Fund uses two total return swaps, the Portfolio Total Return Swap and the Funding Swap (as defined below) (together, the “Swaps”). The Approved Counterparty in respect of the Swaps will be...
Morgan Stanley or any of its affiliates or subsidiaries that is a UCITS eligible counterparty (the "Approved Counterparty" or "Morgan Stanley").

There are two strategic components to the Swaps: (1) to gain exposure to the economic performance of the Reference Portfolio as described above; and (2) to transfer the economic interest in the "Funding Assets" (as described below) to the Approved Counterparty.

It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Funding Assets other than in the event of a default by the Approved Counterparty under the terms of the Funding Swap.

2.1. The Portfolio Total Return Swap

The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. The Portfolio Total Return Swap will be provided by the Approved Counterparty.

2.2. The Funding Swap

The Sub-Fund will purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty pursuant to the Funding Swap in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

"Funding Assets" will include equity securities and other securities with equity characteristics, including preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Portfolio. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below "investment grade" by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager. Funding Assets also include other collective investment schemes having similar investment objectives and policies to the Sub-Fund and ETFs, however, the Sub-Fund will not invest more than 10 per cent of its Net Asset Value in such schemes. The Investment Manager will determine which securities are included within the Funding Assets.

Funding Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be so listed or traded as they are permitted unlisted investments.

The Approved Counterparty will provide collateral to the Sub-Fund to ensure that the Sub-Fund's risk exposure to the Approved Counterparty does not exceed the level required by the Central Bank. The collateral will be in the form required by the Central Bank.

3. THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY

Morgan Stanley may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by the Morgan Stanley in implementing its hedging strategy (including costs and fees of the Investment Manager in relation thereto) paid or reimbursed by Morgan Stanley will ultimately be borne by the Sub-Fund as costs under the terms of the Swap.

4. INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO

The general investment restrictions as set out in the Prospectus shall apply. The Directors may, from time to time, impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

5. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include credit default swaps, interest rate swaps, total return swaps, swaptions and
currency swaps. The “buyer” in a credit default 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 obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. A total return swap or a contract for differences is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. A swaption is an option granting its owner the right but not the obligation to enter into an underlying swap. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency.

Options. Options may be traded over-the-counter or OTC options. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

6. INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is Tremblant Capital LP. Tremblant Capital LP was established in March 2001 as a limited partnership with its principal office located at 767 Fifth Avenue, New York, NY 10153. The Investment Manager is a registered investment advisor with the U.S. Securities and Exchange Commission and as at 30 April 2017, the Investment Manager had approximately USD 1.5 billion assets under management. The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Fund and the Investment Manager dated 22 December 2014 (as amended and as may be further amended) (the “Investment Management Agreement”). Subject to controls imposed by the Directors under the Investment Management Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Investment Management Agreement provides that the Investment Manager shall be responsible for loss to the Fund to the extent such loss is due to gross negligence (whether through an act or omission), willful default or fraud by the Investment Manager, its directors, officers, employees, agents and appointees in connection with the Investment Management Agreement. The Investment Manager shall also be liable to the Fund for contractual breach of the Investment Management Agreement. and for its bad faith, breach of fiduciary duty and any misrepresentation made by or on behalf of the Investment Manager to the Fund in connection with the Investment Management Agreement. The Investment Manager shall indemnify and hold harmless the Fund in the circumstances set out in the Investment Management Agreement.

The Investment Management Agreement shall continue in force until terminated pursuant to the Investment Management Agreement. Either party may terminate the Agreement on giving not less than three months’ prior written notice (or such other period as may be agreed between the parties). The Investment Management Agreement may be terminated at any time in the circumstances set out in the Investment Management Agreement.

7. RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to
provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, willful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Agreement on giving not less than 90 days’ written notice at any time. The Agreement may also be terminated at any time in the circumstances set out in the Agreement.

8. BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will be leveraged through the use of FDIs. In accordance with the requirements of the Central Bank, the Sub-Fund’s risk management process aims to ensure that on any day the relative VaR of the Sub-Fund will not exceed 2 times the VaR (based on a one-tailed confidence level of 99%, a holding period of one month and a historical observation period of one year) of the Benchmark Index. The Investment Manager may alter the Benchmark Index from time to time to any other benchmark which the Investment Manager may determine, in its sole discretion, is generally representative of the global equities market. Shareholders will not be notified in advance of any change in the Benchmark Index. However, such change will be communicated to Shareholders in the periodic reports of the Sub-Fund following such change and this Supplement will be updated prior to the implementation of such change.

The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be generally between 250% and 350% (including leverage inherent in the Reference Portfolio) of the Net Asset Value of the Sub-Fund and will never exceed 450% of the Net Asset Value of the Sub-Fund. The maximum gross notional exposure of the Sub-Fund of 450% of the Net Asset Value of the Sub-Fund is comprised of the following elements: (i) up to 100% of Net Asset Value under the Portfolio Total Return Swap, which in turn provides exposure to the Reference Portfolio. The Reference Portfolio has maximum gross notional exposure of up to 350% of Net Asset Value. This results in up to 350% of gross notional exposure under the Portfolio Total Return Swap; and (ii) up to 100% of Net Asset Value under the Funding Swap. For leverage calculations, equity option exposure is calculated based on notional values in line with sum of notional approach, which may result in a materially higher level of reported leverage as compared to leverage calculations done based on a delta adjusted approach.

9. RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

30.14 9.1 Currency Risk

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in USD, Euro or Pounds Sterling into the USD, EUR or GBP denominated Share Classes respectively.

The EUR and GBP denominated Shares are Currency Hedged Share Classes. Shareholders in the
Currency Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share Classes.

Depending on an investor's currency of reference, currency fluctuations between that currency and the base currency of the Sub-Fund may adversely affect the value of an investment in the Sub-Fund.

Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

30.15 9.2 IPO Securities

The Reference Portfolio and the Sub-Fund may purchase securities of companies in initial public offerings ("IPO securities") or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history.

30.16 9.3 Market Capitalization Risk

The Reference Portfolio may invest in certain companies regardless of the issuer’s market capitalization. Such investments may include companies having smaller market capitalizations, such as mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.

30.17 9.4 Performance Fee – No Equalisation

The methodology used in calculating the performance fees in respect of the Class S Shares, Class P Shares, Class I Shares and Class B Shares and Class A Shares (as defined herein) may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the performance fee calculation).

30.18 9.5 Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI, repo or securities lending agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund aims to mitigate its credit risk to its counterparties by receiving collateral but, to the extent that any FDI is not collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

30.19 9.6 Investment in other collective investment schemes

The Sub-Fund may purchase shares of other collective investment schemes. As a shareholder of another collective investment scheme, the Sub-Fund would bear, along with other shareholders, its pro rata portion of the other collective investment scheme’s expenses, including management fees. These expenses would be in addition to the expenses that the Sub-Fund would bear in connection with its own operations. Investment in other collective investment schemes may also result in a lack of transparency with respect to investments in which the Sub-Fund has an indirect interest.

9.7 Possible Adverse Tax Consequences

The Investment Manager cannot assure any investor that the relevant, applicable tax authorities (each a "Tax Authority") will accept the tax positions taken by the Investment Manager and/or the Sub-Fund. If
any Tax Authority successfully contests a tax position taken by the Investment Manager and/or the Sub-Fund, the Investment Manager and/or the Sub-Fund may be liable for tax, interest or penalties and the investors may need to file or amend one or more tax returns.

9.8 Futures

Futures prices may be volatile. This volatility may lead to substantial risks and returns, possibly much larger than in the case of equity or fixed income investments. The Reference Portfolio may trade futures on a leveraged basis. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Reference Portfolio.

Futures trading may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Reference Portfolio from promptly liquidating unfavourable positions, subjecting the Reference Portfolio to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For the purposes of complying with speculative position limits, the Reference Portfolio's outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Investment Manager or any agent of the Investment Manager. As a result, the Reference Portfolio may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures.

Some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists and a trader may have limited recourse with respect to a contract. In addition, unless the Reference Portfolio hedges against fluctuations in the exchange rate between the US dollar (being the Base Currency of the Sub-Fund) and other currencies in which trading is done on non-U.S. exchanges, any profits that the Reference Portfolio realises in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Reference Portfolio could incur losses as a result of those changes.

9.9 Options

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

9.10 Conflicts of Interest

The Investment Manager (and their principals, directors, shareholders, affiliates or employees) serves or may serve as investment manager or investment advisor to other client accounts and conduct investment activities for their own accounts (such entities and accounts are referred to collectively as the "Other Clients"). Such Other Clients may have investment objectives or may implement investment strategies similar to those of the Sub-Fund.

The Investment Manager (or its principals, directors, shareholders, affiliates or employees) may give advice or take action with respect to such Other Clients that differs from the advice given with respect to the Sub-Fund. It may not always be possible or consistent with the investment objectives of the Other Clients and of the Sub-Fund for the same investment positions to be taken or liquidated at the same time or at the same price.

In addition, purchase and sale transactions (including swaps) may be effected between the Sub-Fund and Other Clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commission or fee (except for customary transfer fees or fees paid to a third party broker) or other remuneration shall be paid in connection with any such transaction.

The Investment Manager (and its principals, directors, shareholders, affiliates or employees) may conduct any other business including any business within the securities industry.

Because the Investment Manager may receive higher performance-based compensation or management fees from certain Other Clients, or the Investment Manager or its partners, principals or
employees, or its affiliates may have made significant investments in certain Other Clients, the Investment Manager may have a conflict of interest when allocating investments between the Sub-Fund and the Other Clients. From the standpoint of the Sub-Fund, simultaneous identical portfolio transactions for the Sub-Fund and the Other Clients may tend to decrease the prices received, and increase the prices required to be paid, by the Sub-Fund for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Sub-Fund and the Other Clients in an equitable manner as determined by the Investment Manager.

As a result of the foregoing, the Investment Manager (and its members, principals, partners, officers, directors, employees and affiliates) may have conflicts of interest in allocating their time and activity between the Sub-Fund and the Other Clients, in allocating investments among the Sub-Fund and the Other Clients and in effecting transactions between the Sub-Fund and the Other Clients, including ones in which the Investment Manager (and its principals) may have a greater financial interest.

The Investment Manager will use its best efforts in connection with the purposes and objectives of the Sub-Fund and will devote so much of its time and effort to the affairs of the Sub-Fund as, in its judgment, may be necessary to accomplish the purposes of the Sub-Fund. The Investment Management Agreement specifically provides that the Investment Manager (and its principals and its affiliates) may conduct any other business including any business within the securities industry whether or not such business is in competition with the Sub-Fund. Without limiting the generality of the foregoing, the Investment Manager (and its principals) may act as investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. The Management Agreement also recognizes that it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Sub-Fund for the same investment positions to be taken or liquidated at the same time or at the same price.

10. DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the relevant Class of Shares.

11. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES

Base Currency

USD

Classes of Shares

Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription/Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class</td>
<td>Currency</td>
<td>Shares</td>
<td>Start</td>
<td>End</td>
<td>Minimum</td>
<td>Maximum</td>
<td>Dividend</td>
<td>Growth</td>
</tr>
<tr>
<td>-------</td>
<td>----------</td>
<td>--------</td>
<td>-------</td>
<td>------</td>
<td>---------</td>
<td>---------</td>
<td>----------</td>
<td>--------</td>
</tr>
<tr>
<td>Class A</td>
<td>GBP Shares</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2.5%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class I</td>
<td>EUR Shares</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.75%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I</td>
<td>USD Shares</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1.75%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I</td>
<td>GBP Shares</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.75%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class P</td>
<td>EUR Shares</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>1.75%</td>
<td>20%</td>
<td>€10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P</td>
<td>USD Shares</td>
<td>No</td>
<td>$1,000</td>
<td>US$250,000</td>
<td>1.75%</td>
<td>20%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P</td>
<td>GBP Shares</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>1.75%</td>
<td>20%</td>
<td>£10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>EUR Shares</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>USD Shares</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>GBP Shares</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class S</td>
<td>EUR Shares</td>
<td>Yes</td>
<td>€1,000</td>
<td>€5,000,000</td>
<td>1.0%</td>
<td>15%</td>
<td>€500,000</td>
<td>5,000 Shares</td>
</tr>
<tr>
<td>Class S</td>
<td>GBP Shares</td>
<td>Yes</td>
<td>£1,000</td>
<td>£5,000,000</td>
<td>1.0%</td>
<td>15%</td>
<td>£500,000</td>
<td>5,000 Shares</td>
</tr>
<tr>
<td>Class S</td>
<td>USD Shares</td>
<td>No</td>
<td>$1,000</td>
<td>$5,000,000</td>
<td>1.0%</td>
<td>15%</td>
<td>$500,000</td>
<td>5,000 Shares</td>
</tr>
<tr>
<td>Class M</td>
<td>USD Shares</td>
<td>No</td>
<td>$1,000</td>
<td>$5,000,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$500,000</td>
<td>5,000 Shares</td>
</tr>
<tr>
<td>Class C</td>
<td>EUR Shares</td>
<td>Yes</td>
<td>€6,000</td>
<td>€30,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>€6,000,000</td>
<td>500 Shares</td>
</tr>
<tr>
<td>Class C</td>
<td>GBP Shares</td>
<td>Yes</td>
<td>£6,000</td>
<td>£30,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>£6,000,000</td>
<td>500 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>USD</td>
<td>No</td>
<td>$6,000</td>
<td>$30,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>$6,000,000</td>
<td>500 Shares</td>
</tr>
</tbody>
</table>
The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class S EUR Shares, Class S USD Shares and Class S GBP Shares will be the seed investment Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$50 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

The Class B EUR Shares, Class B USD Shares and Class B GBP Shares will be the early bird Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

Class M USD Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The EUR and GBP denominated Share Classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. The cost and fiscal results of any such currency hedging will be solely for the account of the relevant Shares. Investors in EUR and GBP denominated Share Classes are referred to the description and risks related to Currency Hedged Share Classes in the section of the Prospectus headed Risk Factors.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, following consultation with the Investment Manager, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

Initial Offer Period

Class M USD Shares, Class S EUR and Class S USD shares are issued at their Net Asset Value per Share on each Dealing Day.

The initial offer period for the all Share Classes other than the aforementioned Share Classes shall be from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) on 23 January 2018 (the “Initial Offer Period”) as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Business Day

Every day (except legal public holidays in the United Kingdom, United States or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland, United States and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

Dealing Day

Every Friday (except legal public holidays in the United Kingdom, United States or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland, United States and the United Kingdom are open for normal business and such other day or days as the
Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

In the case of subscriptions, 12 noon Irish time 3 Business Days prior to the relevant Dealing Day.

In the case of redemptions, by 12 noon Irish time, 5 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion, following consultation with the Investment Manager and on an exceptional basis only, waive the Dealing Deadline provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

**Settlement Date**

In the case of subscriptions, within 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

**Valuation Point**

Close of business on the relevant Dealing Day in relevant markets.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day after the Dealing Deadline which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

**Redemption in Kind**

Notwithstanding the section of the Prospectus entitled Repurchase of Shares, any repurchase request which the Directors determine should be satisfied in whole or in part by an in-kind distribution of securities of the Sub-Fund in lieu of cash, shall require shareholder consent. Asset allocation will be subject to the approval of the Depositary. Should the Shareholder require that the Sub-Fund, instead of transferring those assets, arrange for their sale, the payment of the net proceeds of sale, less any duties and charges, will be made to that Shareholder. Shareholders who receive securities in lieu of cash upon repurchase should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the repurchasing Shareholder of the securities may be more or less than the repurchase price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the securities.

13. **CHARGES AND EXPENSES**

**Initial, Exchange and Repurchase Charges**

With respect to Class A EUR Shares, Class A USD Shares and Class A GBP Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P EUR Shares, Class P USD Share and Class P GBP Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor,
or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

The Sub-Fund may on any Dealing Day require a Shareholder to pay a charge for the exchange of Shares of a class of up to 3% of the total repurchase price of the Shares of the Original Class on that Dealing Day where the Shares of the Original Class are Class A EUR Shares, Class A USD Shares, or Class A GBP Shares.

No repurchase charge shall be payable in respect of the Shares.

Notwithstanding the provisions of the Prospectus, no anti-dilution levy will apply to any subscriptions or redemptions in respect of the Sub-Fund.

**Management Charge**

The Fund will pay to the Investment Manager from the assets attributable to each class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

1.75% per Class I EUR Shares, Class I USD Shares and Class I GBP Shares (collectively the “Class I Shares”)

1.75% per Class P EUR Shares, Class P USD Shares and Class P GBP Shares (collectively the “Class P Shares”)

2.5% per Class A EUR Shares, Class A USD Shares and Class A GBP Shares (collectively, the “Class A Shares”)

1.25% per Class B EUR Shares, Class B GBP Shares and Class B USD Shares (collectively the “Class B Shares”)

1.25% per Class C EUR Shares, Class C GBP Shares and Class C USD Shares (collectively the “Class C Shares”)

1.0% per Class S EUR Shares, Class S USD Shares and Class S GBP Shares (collectively the “Class S Shares”)

No management fee is payable in respect of the Class M USD Shares.

**Performance Fee**

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the “Performance Fee”) is payable in total to the Investment Manager, of 15% in respect of the Class S, Class C Shares and Class B Shares and of 20% in respect of the Class A Shares, Class P Shares and the Class I Shares; of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

“Performance Fee Payment Date” shall mean the date at which the Performance Fee crystallised during a Calculation Period is paid. The Performance Fee Payment Date will be within 14 calendar days of the end of the relevant Calculation Period.

For the first Calculation Period, the “High Water Mark Net Asset Value” means the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The relevant initial offer price will be taken as the starting price for the calculation of the initial Performance Fee for a Share Class.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period. With regard to redemptions, the High Water Mark Net Asset Value for a Share Class is decreased by an amount equal to the percentage which such
redemptions represent of the Net Asset Value of the Class on the relevant Dealing Day (i.e., if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, the High Water Mark Net Asset Value for a Share Class is increased by an amount equal to the value of the subscription.

For each subsequent Calculation Period for a Share Class, the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee shall be equal to 15% for Class S and Class B and 20% for the Class I, Class P and Class A Shares of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period.

No Performance Fees are payable in respect of Class M USD Shares.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the High Water Mark Net Asset Value on which a performance fee was paid. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on or before the Performance Fee Payment Date to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

It should be noted that as the Net Asset Value may differ between Share Classes, separate Performance Fee calculations will be carried out for separate Share Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.

Risk Management, Administrator’s and Depositary’s Fees

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee, which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears. The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.
Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

**Ongoing Charges and Expenses**

The additional charges and expenses specified in the section entitled *Ongoing Charges and Expenses* in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. There will not be Distribution Fees charged to the Sub-Fund, and fees of the Distributor will be paid by the Investment Manager out of the Management Charge.

14. **HOW TO SUBSCRIBE FOR SHARES**

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled *Applications for Shares* in the Prospectus.

15. **HOW TO SELL SHARES**

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled *Repurchase of Shares* in the Prospectus.

16. **HOW TO EXCHANGE SHARES**

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled *Exchange of Shares* in the Prospectus.

17. **ESTABLISHMENT CHARGES AND EXPENSES**

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

18. **OTHER CHARGES AND EXPENSES**

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings *Management Charges and Expenses* and *General Charges and Expenses*.

19. **OTHER INFORMATION**

MSIP may, at its discretion, invest in the Sub-Fund from time to time. Any MSIP investment in the Sub-Fund is subject to the same rights and obligations as those of the other Shareholders. A MSIP investment may be made in any Class of Shares. Such MSIP investments could constitute a substantial percentage of the Sub-Fund’s net assets from time to time. Any seed investor that is also a swap counterparty, including MSIP, may hedge its seed investment, if any, by offsetting its position as swap counterparty (where the transaction is on the performance of the Reference Portfolio) with the Sub-Fund.
This Supplement contains specific information in relation to the IPM SYSTEMATIC MACRO UCITS FUND (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by Informed Portfolio Management AB (“IPM”) (the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through investment in transferable securities, cash deposits and near cash instruments. It is the intention of the Company to invest on behalf of the Sub-Fund in financial derivative instruments (“FDIs”) for investment and foreign exchange hedging purposes (as detailed below under the heading “Sub-Fund’s Use of Financial Derivative Instruments”) where applicable.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Sub-Fund may invest substantially in deposits with credit institutions and investors should be aware of the difference between the nature of a deposit and the nature of an investment in the Sub-Fund, in particular investors should note that the principal invested in the Sub-Fund is capable of fluctuation.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES ........................................................................... 284
2. INVESTMENT RESTRICTIONS OF THE SUB-FUND .......................................................... 289
3. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS ............................... 289
4. INVESTMENT MANAGER .................................................................................................. 289
5. RISK MANAGER .................................................................................................................. 290
6. RISK FACTORS AND INVESTMENT CONSIDERATIONS ............................................. 290
7. DIVIDEND POLICY ............................................................................................................. 292
8. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ................................. 293
9. CHARGES AND EXPENSES .............................................................................................. 296
10. HOW TO SUBSCRIBE FOR SHARES .............................................................................. 298
11. HOW TO SELL SHARES ................................................................................................... 298
12. HOW TO EXCHANGE SHARES ....................................................................................... 298
13. ESTABLISHMENT CHARGES AND EXPENSES ............................................................ 298
14. OTHER CHARGES AND EXPENSES ............................................................................... 298
1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund's investment objective is to provide Shareholders with returns (i) based on IPM's Systematic Macro Programme (as defined below) which aims to generate consistent positive returns (ii) investments in transferable securities and money market instruments issued by government issuers; and (iii) investments in cash deposits and cash equivalent securities as set out under the heading Investment Policy at 1.2 below in order to gain exposure to the IPM Systematic Macro Programme.

Further information in respect of the IPM Systematic Macro Programme and the manner in which the Sub-Fund gains exposure to the IPM Systematic Macro Programme is set out in more detail under the heading Description of the IPM Systematic Macro Programme at 1.4 and Investment Policy at 1.2 respectively.

1.2 Investment Policy

In order to achieve the Sub-Fund's investment objective, the Investment Manager intends to invest the net proceeds of any issue of Shares (whether on the Launch Date or subsequently) in some or all of the instruments (inclusive of the FDI Portfolio as described below) (each a “Fund Asset” and together the “Fund Assets”) set out below which shall be listed, traded and dealt with on one or more of the Markets set out in Appendix II of the Prospectus. Due to investment in the instruments noted below the Sub-Fund is likely to have a medium to high level of volatility. Save for ability to meet the Sub-Fund's objective, the ability of the instruments to comply with the requirements set out in the Regulations and in order to deliver positive returns for the Sub-Fund, the Investment Manager does not employ any further selection criteria to determine the Fund Assets in which to invest.

The Sub-Fund shall invest in the following Fund Assets in order to gain exposure to the IPM Systematic Macro Programme:

(a) Long and short positions in future contracts, and options relating to such future contracts, traded on recognized exchanges as listed in Appendix II of Prospectus which will give the Sub-Fund an exposure to currencies, equities and bonds which are components of the IPM Systematic Macro Programme;

(b) Long and short positions in foreign exchange forward contracts; and

(c) Long and short positions in over the counter derivatives i.e. total return swaps, contract for differences and options giving exposure to financial indices (such as SPX 500, EUROSTOXX 600), equities and fixed income instruments.

(together the “FDI Portfolio”). The FDI Portfolio will be comprised of components of the IPM Systematic Macro Programme, which comply with the requirements in respect to investment in FDIs under the terms of the Regulations.

Further information on the FDIs comprising the FDI Portfolio is set out under the headings “Sub-Fund's Use of Financial Derivative Instruments” and “Information on the Financial Derivative Instruments” at 1.5 and 3 below.

(d) The Sub-Fund shall, in order to gain exposure to the IPM Systematic Macro Programme, invest in transferable securities in the form of structured financial instruments (“SFI”) selected by the Investment Manager. The SFI are a type of debt instrument which fall within the categorisation of transferable securities’ as contemplated by the Central Bank UCITS Regulations and Regulations. The SFI, together with Sub-Fund's investment in FDI Portfolio as set out above, shall provide the Sub-Fund with exposure to the IPM Systematic Macro Programme (see Description of the IPM Systematic Macro Programme at 1.4 below). The SFI shall be issued by special purpose vehicles (initially three or more such vehicles established in either Jersey or Luxembourg) whose share capital will be held by a charitable trust. The SFI shall be independently valued by a third-party administrator (initially Crest Bridge) and shall be listed on one or more of the Markets set out in Appendix II of the
Prospectus. The SFI shall provide exposure on a 1:1 basis to interests in a Cayman Island domiciled trading company which shall track the returns of the portfolio of equities and fixed income futures contracts that forms part of the IPM Systematic Macro Programme. The SFI shall not embed leverage or derivatives. The investment by the Sub-Fund in the SFI shall not exceed 20% of the Net Asset Value of the Sub-Fund. Morgan Stanley & Co. International plc (the “Promoter”), acting in its capacity as dealer for the SFI (the “Dealer”), shall commit to purchase the SFI from the Sub-Fund at their most recent net asset value as calculated by the third-party administrator in the absence of Market Disruption Events which give rise to the temporary suspension or termination of the Sub-Fund (further details of which are set out under the heading Market Disruption Events at 1.7 below), subject to receiving two Business Days’ prior notice from the Sub-Fund;

(e) collective investment schemes both UCITS and non-UCITS which further the Investment Objective as set out under the heading Investment Objective at 1.1 above and in accordance with the requirements of the Regulations and the Central Bank. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such collective investment schemes;

(f) units or shares in closed-ended funds constituted as investment companies or as unit trusts, e.g. Cayman Island domiciled trading companies or unit trusts, which further the Investment Objective as set out under the heading Investment Objective at 1.1 above, and which in accordance with the requirements of the Central Bank UCITS Regulations are deemed to be investments in transferrable securities. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such instruments; and

(g) transferrable securities and money market instruments other than the securities referred to in paragraph (a) and (d) above such as unlisted securities. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in such transferrable securities and money market instruments.

The following Fund Assets will be invested by the Sub-Fund for the purpose of Efficient Portfolio Management:

(a) fixed income securities and money market instruments issued by government issuers which are listed, traded or dealt in on one or more of the Markets set out in Appendix II of the Prospectus. The fixed income securities and money market instruments in which the Sub-Fund may invest shall include (but not be limited to) treasury bills, fixed and floating rate bonds and zero coupon bonds that will be of investment grade or above. An investment in such fixed income securities and money market instruments may constitute up to 100% of the Net Asset Value of the Sub-Fund;

(b) cash deposits and near cash instruments such as commercial paper for the purposes of cash management. Cash deposits shall include standard deposits such as bank certificates of deposit and bank deposits with credit institutions. An investment in cash deposits and near cash instruments may constitute up to 100% of the Net Asset Value of the Sub-Fund in the event that the Sub-Fund reduces its investment in SFI. For example, the proportion of the Sub-Fund’s assets invested in cash deposits and near cash instruments is likely to be higher when the Investment Manager anticipates higher liquidity needs resulting from potential investor redemptions;

(c) financial derivative instruments (FDI) transactions, further information on which is set out below under Section 3 headed "Information on the Financial Derivative Instruments" being forward currency exchange contracts, currency futures, cross currency asset swaps or currency options can also be used to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. See the section of the Prospectus entitled Efficient Portfolio Management for more details in this regard.

1.3 Borrowing and Leverage
The Sub-Fund may invest up to 100% of the Net Asset Value of the Sub-Fund in Fund Assets as set out above.

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of the Sub-Fund and the Fund may charge the Fund Assets as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund may engage in transactions in FDIIs (as further detailed below section 1.5, Sub-Fund's Use of Financial Derivative Instruments) for the purposes of investment, efficient portfolio management and currency hedging within the conditions and limits laid down by the Central Bank from time to time. The Sub-Fund may be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The VaR level will be calculated daily. The level of leverage as measured using sum of notionals approach of derivative positions is expected to be between 200% and 1500% of the Net Asset Value of the Sub-Fund. In addition, the leverage of the Sub-Fund as measured using the commitment approach is expected to be, in normal market conditions between 250% and 550% of Net Asset Value of the Sub-Fund.

1.4 **Description of the IPM Systematic Macro Programme**

The Sub-Fund holds an indirect exposure in the IPM Systematic Macro Programme via the investment into SFIs. The SFI in which the Sub-Fund invests provide a 1:1 exposure to a portfolio of equities and fixed income futures contracts that form part of the IPM Systematic Macro Programme,

The objective of the IPM Systematic Macro Programme is to generate consistent absolute returns. The IPM Systematic Programme is owned and operated by the Investment Manager.

The programme trades liquid instruments such as currencies, government bond futures and equity index futures and forwards in order to provide exposure to global equity, bond and currency markets. The IPM Systematic Macro programme aims to take long positions in equity, bond and currency markets that are expected to deliver positive returns in view of the Investment Manager and short positions in equity, bond and currency markets that are expected to deliver negative returns in view of the Investment Manager. The Sub-Fund will only take synthetic short positions using the futures contracts, foreign exchange forward contracts and over the counter derivative contracts as stated in Investment Policy.

The IPM Systematic Macro Programme makes investment into the equity index, bond and currency futures and forwards based on the systematic investment models that provide insights into how fundamentals like supply, demand, and the macroeconomic environment impact the asset price returns. The systematic investment models employed evaluate the relative attractiveness of each underlying asset being equities, bond and currencies and exploit the difference as seen in asset prices between the fundamental value and market value, by taking long and short positions in the underlying asset. The systematic investment models evaluate the expected return of each asset independently as well as on a relative basis against the other assets in the programme. The systematic investment models aims to maximize the expected return per unit of downside risk in programme while maintaining diversification within the programme.

The programme takes advantage of opportunities in currency markets by holding long currency positions in markets with high relative return prospects while selling currencies in markets where returns expected are below average. The programme aims to trade a liquid portfolio of currency futures, forwards and options.

The IPM Systematic Macro Programme groups investment opportunities into four investment themes: valuation (or mean-reversion) aims to take positions based on differences between market value and expected intrinsic value of an asset; risk premia aims to take position based on historically observed market phenomenon of returns for investors who accepts risk; macroeconomics aims to take advantage of changes in global economic environment by taking positions that are expected to profit from such expected changes and market dynamics; which aims to take advantage of specific market opportunity like change in rate of fluctuation of asset price. Within each investment theme the Investment Manager seeks specific investment ideas across the different asset classes that the programme invests in; equity indices, government bonds and foreign exchange.

In addition to the generation of investment ideas, the investment programme puts emphasis on construction
of a well-diversified portfolio and risk management. This is achieved by optimising the expected risk and exposure to each asset class and position as well as the overall portfolio.

1.5 Sub-Fund’s Use of Financial Derivative Instruments

The Sub-Fund may, subject to the requirements of the Central Bank, enter into FDI transactions both for investment and efficient portfolio management purposes. The Sub-Fund may take both long and short positions synthetically through the use of FDIs referred to below. These may include swaps, options, futures and options on futures, contracts for differences and forward currency exchange contracts, which are further described below.

In addition, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes and the Base Currency of the Sub-Fund as described under Classes of Shares below. For further information on the types of FDIs, including the FDIs comprising the FDI Portfolio, that the Sub-Fund may enter into please see the section 3 entitled Information on the Financial Derivative Instruments below. If it is proposed to utilize any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance titled UCITS Financial Derivative Instruments and Efficient Portfolio Management prior to the Sub-Fund engaging in using such FDIs.

FDIs may be exchange traded or over-the-counter.

The Sub-Fund is expected to use FDI to leverage its exposure. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 200% and 2500% of the Net Asset Value of the Sub-Fund. In addition, the leverage of the Sub-Fund as measured using the commitment approach is expected to be, in normal market conditions between 250% and 550% of Net Asset Value of the Sub-Fund.

The long exposure of the Sub-Fund is expected to be within a range of 100% to 1500% of the net assets and the short exposure is expected to be within a range of 100% to 1500% of net assets.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps, “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Derivative Instrument</th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

1.6 Profile of a Typical Investor

The Sub-Fund is suitable for professional investors seeking capital growth who are prepared to accept a medium to high degree of volatility. The Sub-Fund may suit investors who are seeking to benefit from the potential diversification and non-correlation benefits of IPM Systematic Macro Programme. Typical investors are expected to be informed investors who understand and are willing to accept capital risk. Investors should have at least a 3 to 5-year investment horizon.

1.7 Market Disruption Events

A Market Disruption Event is the occurrence or existence of one or more of the following events, which occur in relation to:

---

240

41154171.11
(a) The SFI

(i) it is not possible to obtain a price or value (or an element of such price or value) of the SFI according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(ii) the calculation of the price or value of the SFI is, at the relevant time, in the opinion of the Dealer in respect of SFI impractical or impossible to make;

(iii) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where the SFIs are traded; and/or there exists an event or circumstance that prevents or materially limits transactions in the SFI. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Dealer in respect of the SFI constitute a Market Disruption Event;

(iv) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer in respect of the SFI;

(v) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of the SFI into the Base Currency through customary legal channels, as determined by the Dealer in respect of the SFI;

(vi) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of the SFI to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of the SFI between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer in respect of the SFI;

(vii) a general moratorium is declared in respect of banking activities in London, Dublin or New York;

(viii) the occurrence of any early termination event or event of default or illegality affecting the SFI or other breach of obligations by the issuer of the SFI; and/or

(ix) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affect the holding, acquisition, trading, transfer or hedging of the SFI.

As set out above, upon the occurrence of a Market Disruption Event the Directors will temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or the Directors may, in certain circumstances, terminate the Sub-Fund. For the avoidance of doubt, a Market Disruption Event which relates to Fund Assets other than the SFIs and their underlyings will not impact on the Dealer's commitment to purchase the SFIs from the Sub-Fund at their most recent net asset value as calculated by the third-party administrator.
2 INVESTMENT RESTRICTIONS OF THE SUB-FUND

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be either compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

The Sub-Fund may utilise the following FDI for both investment purposes (i.e. in order to meet its investment objective or for effective portfolio management purposes:

Swaps. These include total return swaps and currency swaps. A total return swap is a bilateral financial contract, which allows the Sub-Fund to enjoy all of the cash flow benefits of an asset without actually owning this asset. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency.

Contracts for Differences. Contracts for difference may be used by the Sub-Fund, for example because unlike traditional share trading, no stamp duty is payable on the purchase of a contract for difference in addition to providing an opportunity for short term trading strategies. Contracts for difference allow the Investment Manager to speculate on share price movements and to benefit from trading shares or indices, without the need for ownership of the shares or indices at a small percentage of the cost of owning the shares or indices. As contracts for difference are directly linked to the value of the underlying assets, they will fluctuate depending on the market of the assets represented in the contract. Contracts for difference will only be used by the Sub-Fund to gain exposure to assets consistent with the investment policies of the Sub-Fund.

Options. The Sub-Fund may also enter into options traded over-the-counter (or OTC options). Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right, but not the obligation to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. Futures can be cash settled as well as physically settled.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

4 INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is IPM, Informed Portfolio Management AB (“IPM”). The Investment Manager is incorporated in Sweden with a registered office is at Mäster Samuelsgatan 6, 111 44 Stockholm, Sweden.

The Investment Manager is regulated by the Finansinspektionen (the Swedish FSA). As at April 30th 2017, IPM had approximately USD 7 billion of assets under management.
Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Fund and the Investment Manager dated 17 July 2015, as amended and as may be further amended (the “Investment Management Agreement”).

The Investment Management Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with the terms of its appointment or in pursuance of any request or advice of the Sub-Fund and/or Fund.

The Investment Management Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Investment Management Agreement, either party may terminate the Investment Management Agreement on giving not less than 3 months prior written notice (or such other period as may be agreed between the parties).

5 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), the Promoter has agreed to provide certain sub-funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the sub-funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under the Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the terms set out therein. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time.

6 RISK FACTORS AND INVESTMENT CONSIDERATIONS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply. The following additional risk factors also apply:

General Risks

Currency Risk

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in USD, Swiss Franc, Euro, Pound Sterling, or Swedish Krona (SEK) into the USD, CHF, EUR, GBP or SEK denominated Share Classes
respectively.

The CHF, EUR, SEK and GBP denominated Shares are Hedged Share Classes. To the extent that Share Class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund's underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled **Hedged Share Classes** for information on the currency risks associated with investment in those Share Classes.

Depending on a Shareholder’s currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

**Counterparty Risk**

The Sub-Fund will purchase or enter into Fund Assets, including SFI, from several counterparties (not excluding the Promoter), which will expose the Sub-Fund to the issuer or credit risk of such counterparties and their ability to satisfy the terms of such contracts.

**Risks and Investment Considerations Associated with the IPM Systematic Macro Programme and the Investment Manager**

The **Sub-Fund may be exposed to Entities Which Use Margin Funding**

The Sub-Fund shall obtain exposure to the IPM Systematic Macro Programme by investing (in accordance with the Investment Policy) in SFI and unlisted transferable securities. Such instruments may provide the Sub-Fund with direct or indirect exposure to entities which use debt financing or trade on margin (i.e. borrowing against the assets purchased) to obtain an optimum return on their equity capital. The use of such techniques may therefore increase the volatility of the price of the SFI and unlisted securities and as a result may impact the returns of the Sub-Fund.

**Trading in Futures is Speculative and Volatile**

The rapid fluctuations in the market prices of futures make an investment in the IPM Systematic Macro Programme volatile. Volatility is caused by, among other things: changes in supply and demand relationships; weather; agriculture, trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates. IPM Systematic Macro Programme may not take account of all of these factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and this intervention may cause these markets to move rapidly.

**Markets or Positions May Be Correlated and May Expose the Sub-Fund to Significant Risk of Loss**

Different markets traded or individual positions may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. The Investment Manager cannot always predict correlation. Correlation may expose the Sub-Fund to significant risk of loss.

**Increases in Assets Under Management Obtaining Exposure to the IPM Systematic Macro Programme Could Lead to Diminished Returns**

IPM does not intend to limit the amount of additional equity that it may manage, and it will continue to seek major new accounts which track the IPM Systematic Macro Programme. However, in general, the rates of returns often diminish as a trading advisor’s assets under management increase. This can occur for many reasons, including the inability to execute larger position sizes at desired prices and because of the need to adjust the IPM Systematic Macro Programme to avoid exceeding speculative position limits. These limits are established by the U.S. Commodity Futures Trading Commission and the exchanges on the number of speculative futures contracts in a commodity that one trader may own or control.
The Sub-Fund's success is dependent on the performance of the IPM Systematic Macro Programme

Therefore, the success of the Sub-Fund depends on the judgment and ability of IPM in selecting the futures and FDI contracts for the IPM Systematic Macro Programme. The IPM Systematic Macro Programme may not prove successful under all or any market conditions. If the IPM Systematic Macro Programme is unsuccessful, the Sub-Fund may incur losses.

The Sub-Fund's objective is to provide Shareholders with returns based on the exposure to the IPM Systematic Macro Programme; as such the performance of IPM has an indirect impact on the Sub-Fund's ability to meet its objective. IPM in turn, is dependent on the services of a limited number of persons to develop and refine its trading approaches and strategies and execute the trading transactions. The loss of the services of any of IPM 's principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on IPM's ability to manage its trading activities successfully, or may cause IPM to cease operations entirely. This, in turn, could negatively impact the Sub-Fund's performance.

The Sub-Fund Places Significant Reliance on the Relationships of the Sub-Fund with Third Parties

The Sub-Fund is dependent on the services of independent third parties to obtain exposure to the IPM Systematic Macro Programme. The loss of the services of any such third parties, may have an adverse effect on the Investment Manager's ability to implement the Investment Policy of the Sub-Fund and achieve the Investment Objective of the Sub-Fund.

Exposure to Currencies Involves Certain Risks

The Sub-Fund’s indirect exposure to foreign currencies subjects the Sub-Fund to currency risk. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the relevant countries. In addition, the Sub-Fund may incur transaction costs in connection with conversions between various currencies.

There Are Disadvantages to Making Trading Decisions Based on Mathematical Analysis

The IPM Systematic Macro Programme will base trading decisions on mathematical analyses of technical factors relating to past market performance. The buy and sell signals generated by such mathematical analysis are derived from a study of actual daily, weekly and monthly price fluctuations, volume variations and changes in open interest in the markets. The profitability of such trading decisions depends upon the occurrence in the future of price actions that are not materially different from the past. The programme may incur substantial losses during periods when markets behave substantially different from the period in which mathematical analysis is performed for the models.

Limited Recourse

A Shareholder will solely be entitled to look to the assets of the Sub-Fund in respect of all payments in respect of its Shares. If the realised net assets of the Sub-Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other sub-fund or any other asset of the Fund.

7 DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Fund Assets and be reflected in the Net Asset Value of the relevant Class of Shares.
8 KEY INFORMATION FOR PURCHASES AND SALES OF SHARES

Base Currency
USD

Classes of Shares
Shares in the Sub-Fund will be available in different Classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>*Management Charge</th>
<th>*Performance Fee</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A SEK Shares</td>
<td>Swedish Krona</td>
<td>Yes</td>
<td>SEK 10,000</td>
<td>SEK100,000</td>
<td>2.00%</td>
<td>20%</td>
<td>SEK10,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A CHF</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>CHF 1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I SEK Shares</td>
<td>Swedish Krona</td>
<td>Yes</td>
<td>SEK 10,000</td>
<td>SEK10,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>SEK10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I CHF</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>CHF 10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>Currency Denomination</td>
<td>Currency Hedged Shares</td>
<td>Initial Issue Price per Share</td>
<td>Minimum Initial Subscription</td>
<td>*Management Charge</td>
<td>*Performance Fee</td>
<td>Minimum Subsequent Subscription /Minimum Repurchase Amount</td>
<td>Minimum Holding (Number of Shares)</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------</td>
<td>-------------------</td>
<td>-----------------</td>
<td>------------------------------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Class P</td>
<td>Swedish Krona</td>
<td>Yes</td>
<td>SEK 10,000</td>
<td>SEK 2,500,000</td>
<td>1.5%</td>
<td>20%</td>
<td>SEK 100,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P CHF</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 250,000</td>
<td>1.5%</td>
<td>20%</td>
<td>CHF 10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class B EUR</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.0%</td>
<td>15%</td>
<td>€ 10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B USD</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>1.0%</td>
<td>15%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B GBP</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£ 1,000,000</td>
<td>1.0%</td>
<td>15%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B SEK</td>
<td>Swedish Krona</td>
<td>Yes</td>
<td>SEK 10,000</td>
<td>SEK 10,000,000</td>
<td>1.0%</td>
<td>15%</td>
<td>SEK 100,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class M</td>
<td>USD</td>
<td>No</td>
<td>$1,000</td>
<td>$5,000,000</td>
<td>N/A</td>
<td>As agreed between the relevant investors and the Investment Manager</td>
<td>$500,000</td>
<td>5,000 Shares</td>
</tr>
</tbody>
</table>

*All fees detailed above are a percentage of the Net Asset Value of the relevant Class.*
The minimum amounts set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate) either generally or in relation to any specific subscription or repurchase. Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Sub-Fund has the power to redeem the remaining holding of any Shareholder who redeems its holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class B EUR Shares, Class B USD Shares, Class B SEK Shares and Class B GBP Shares will be the initial investor Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach USD 100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

Class M USD Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager. Any performance fee if applicable will use the same methodology as the other Share Classes but the performance fee percentage rate will be agreed between the investors and the Investment Manager.

The EUR, SEK, CHF and GBP denominated Share Classes are Hedged Share Classes. In respect of the Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency and the currency in which the relevant Currency Hedged Share Class is denominated. Shareholders in EUR, SEK, CHF and GBP denominated Share Classes are referred to the description and risks related to Hedged Share Classes in the section of the Prospectus headed Risk Factors. All hedging transactions will be clearly attributable to the specific Hedged Share Class (es) and therefore currency exposures of different Share Classes shall not be combined or offset and currency exposures of assets of the Sub-Fund shall not be allocated to separate Share Classes.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

**Initial Offer Period for each Share Class**

For the Class B GBP Shares and the Class P SEK Shares, the Initial Offer Period will be from 9.00 a.m. (Irish time) on 24 July 2017 until 5.30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank of Ireland.

All other Share Classes are issued at their Net Asset Value per Share on each Dealing Day.

The Class M USD Share Class is available at its Net Asset Value only to investors who have agreed separate fee arrangements with the Investment Manager. B SEK, B EUR and B USD Share Classes are now closed for subscription.

**Business Day**

Every day (except legal public holidays in the United Kingdom, Ireland, Sweden or the United States of America and days on which the stock markets in London are closed) during which banks in Ireland, Sweden, the United Kingdom and the United States of America are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Business Day and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

12 midday Irish time 2 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.
Settlement Date

In the case of subscriptions, 12 midday Irish time 2 Business Days after the relevant Dealing Day.

In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions, Shareholders will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

Valuation Point

The Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline. In addition, further to the section of the Prospectus entitled "Applications for Shares", the Directors may, in their discretion, in exceptional circumstances only, permit applications received after the Dealing Deadline but before close of business on the market that closes first.

9 CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class P Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No repurchase charge shall be payable in respect of the Shares.

The Sub-Fund may also impose an anti-dilution levy or adjustment on net subscriptions or repurchases of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets.

Investment Management Charge

The Fund will pay to the Investment Manager from the assets attributable to each Class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

1. 5% per Class I EUR Shares, Class I SEK Shares, Class I CHF, Class I USD Shares and Class I GBP Shares (collectively the “Class I Shares”)

2. 1.5% per Class P EUR Shares, Class P SEK Shares, Class P CHF, Class P USD Shares and Class P GBP Shares (collectively the “Class P Shares”)

3. 2.00% per Class A EUR Shares, Class A USD Shares, Class A CHF, Class A SEK Shares and Class A GBP Shares (collectively, the “Class A Shares”)

4. 1.0% per Class B EUR Shares, Class B GBP Shares, Class B SEK Shares and Class B USD Shares (collectively the “Class B Shares”)

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the Management Charge. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

Performance Fee

In addition to the Management Charge, the Investment Manager is entitled to a performance fee (the
“Performance Fee”) which is payable in relation to the Class A Shares, Class B Shares, Class I Shares, and the Class P Shares. If applicable, the Performance Fee will be paid out of the net assets attributable to the relevant Share Class.

The Performance Fee shall be calculated and shall accrue at each Valuation Point and the accrual will be reflected in the Net Asset Value per Share of the relevant Share Class. The Performance Fee will be paid annually in arrears as soon as practicable after the close of business on the Business Day following the end of the relevant Performance Period.

The Performance Fee shall be calculated in respect of each period of twelve months ending on the last Business Day in December (a “Performance Period”). The first Performance Period shall begin from the end of the Initial Offer Period of the relevant Share Class and shall finish on 31 December 2015. The relevant Initial Offer Price will be taken as the starting price for the calculation of the initial Performance Fee for a Share Class.

The Performance Fee shall be equal to 15% for Class B Shares and 20% for Class A Shares, Class I Shares and Class P Shares of the amount if any, by which the Net Asset Value of the relevant Share Class exceeds the higher of a) the Indexed Net Asset Value and b) the High Water Mark (as defined below) of such Share Class on the last Business Day of the Performance Period. In addition, the Performance Fee with respect to any repurchases of Shares during the Performance Period will crystallise and become payable within 14 days of the relevant repurchase date.

"Indexed Net Asset Value” means in respect of the initial Performance Period for a Share Class the Initial Offer Price of the relevant Share Class multiplied by the number of Shares of such Share Class issued during the Initial Offer Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata on each Dealing Day by any repurchases of Shares which have taken place since the Initial Offer Period, adjusted by the Hurdle Rate (as defined below) over the course of the Performance Period. For each subsequent Performance Period for a Share Class the “Indexed Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Performance Period, the Net Asset Value of the relevant Share Class at the beginning of the Performance Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by any repurchases of Shares which have taken place since the beginning of such Performance Period, adjusted by the Hurdle Rate over the course of the Performance Period; or (ii) where no Performance Fee was payable in respect of the prior Performance Period, the Indexed Net Asset Value of the relevant Share Class at end of the prior Performance Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by any repurchases of Shares which have taken place since the beginning of such Performance Period, adjusted by the Hurdle Rate over the course of the Performance Period.

“High Water Mark” means in respect of the initial Performance Period for a Share Class the Initial Offer Price of the relevant Share Class multiplied by the number of Shares of such Share Class issued during the Initial Offer Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata on each Dealing Day by any repurchases of Shares which have taken place since the Initial Offer Period. For each subsequent Performance Period for a Share Class the “High Water Mark” means either (i) where a Performance Fee was payable in respect of the prior Performance Period, the Net Asset Value of the relevant Share Class at the beginning of the Performance Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by any repurchases of Shares which have taken place since the beginning of such Performance Period; or (ii) where no Performance Fee was payable in respect of the prior Performance Period, the High Water Mark of the relevant Share Class at end of the prior Performance Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by any repurchases of Shares which have taken place since the beginning of such Performance Period.

"Hurdle Rate" means for USD denominated Share Classes the rate of return of the 3 month US Treasury Bill as published under Bloomberg ticker USGB090D, for EUR denominated Share Classes the rate of return of the 3 month German Treasury Bills published under Bloomberg ticker GETB1, for GBP denominated Share Classes the rate of return of the 3 month UK Treasury Bill as published under Bloomberg ticker UKGTB3M, for SEK denominated Share Classes the rate of return of the 3 month Swedish Treasury Bill as published under Bloomberg ticker GSGT3M and for CHF denominated Share Classes the rate of return of the 3 month Swiss Treasury Bill as published under Bloomberg ticker SF0003M on a daily basis for each Business Day of the Fund.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

If the Investment Management Agreement is terminated before the end of any Performance Period, the

250
Performance Fee in respect of the current Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

It should be noted that as the Net Asset Value may differ between Share Classes, separate Performance Fee calculations will be carried out for separate Share Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.

For the avoidance of doubt, the calculation of any Performance Fee shall include all income and net realised and net unrealised gains and losses. Investors shall note that Performance Fees may be paid on unrealised gains which may subsequently never be realised.

**Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the Fund Assets or, if paid by the Depositary, shall be reimbursed to the Depositary out of the Fund Assets.

**Ongoing Charges and Expenses**

The additional charges and expenses specified in the section entitled *Ongoing Charges and Expenses* in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the Fund Assets. The Investment Manager will be responsible for discharging the fees of the Distributor and any licensing fees out of its own fees.

**Indirect Charges**

The Sub-Fund will incur additional charges associated with obtaining exposure to the IPM Systematic Macro Programme. Such indirect charges include, for example and without limitation, fees and expenses of the Cayman trading company which acts as the underlying asset of the SFI which the Sub-Fund invests in. Such indirect charges shall accrue on a daily basis and not exceed 0.45% of the Net Asset Value of the Sub-Fund per annum.

10 **HOW TO SUBSCRIBE FOR SHARES**

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled *Applications for Shares* in the Prospectus.

11 **HOW TO SELL SHARES**

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled *Repurchase of Shares* in the Prospectus.

12 **HOW TO EXCHANGE SHARES**

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled *Exchange of Shares* in the Prospectus.

13 **ESTABLISHMENT CHARGES AND EXPENSES**

The cost and expenses of establishing the Sub-Fund were paid by the Promoter.

14 **OTHER CHARGES AND EXPENSES**
Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings **Management Charges and Expenses** and **General Charges and Expenses**.
This Supplement contains specific information in relation to the **Quantica Managed Futures UCITS Fund** (the "Sub-Fund"), a sub-fund of FundLogic Alternatives plc (the "Fund"), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the "Central Bank") pursuant to the Regulations. The Sub-Fund will be managed by Quantica Capital AG ("Quantica") (the "Investment Manager").

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017, as amended (the "Prospectus").

The Sub-Fund’s principal economic exposure will be effected through investment in transferable securities, cash deposits and near cash instruments. It is the intention of the Fund to invest on behalf of the Sub-Fund in financial derivative instruments ("FDIs") for investment and foreign exchange hedging purposes (as detailed below under the heading “Sub-Fund’s Use of Financial Derivative Instruments”) where applicable.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Sub-Fund may invest substantially in deposits with credit institutions and investors should be aware of the difference between the nature of a deposit and the nature of an investment in the Sub-Fund, in particular investors should note that the principal invested in the Sub-Fund is capable of fluctuation.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
Table of Contents

1 INVESTMENT OBJECTIVE AND POLICIES ......................................................................................... 302
2 INVESTMENT RESTRICTIONS OF THE SUB-FUND ........................................................................ 307
3 INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS ........................................... 307
4 INVESTMENT MANAGER ................................................................................................................. 308
5 RISK MANAGER ............................................................................................................................... 309
6 RISK FACTORS AND INVESTMENT CONSIDERATIONS ............................................................ 309
7 DIVIDEND POLICY ......................................................................................................................... 312
8 KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ............................................ 313
9 CHARGES AND EXPENSES ............................................................................................................. 318
10 HOW TO SUBSCRIBE FOR SHARES ............................................................................................. 321
11 HOW TO SELL SHARES ................................................................................................................ 321
12 HOW TO EXCHANGE SHARES ..................................................................................................... 321
13 ESTABLISHMENT CHARGES AND EXPENSES ....................................................................... 321
14 OTHER CHARGES AND EXPENSES .............................................................................................. 321
1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective
The Sub-Fund’s investment objective is to provide Shareholders with returns (i) based on Quantica Managed Futures Program which aims to generate consistent positive returns, (ii) investments in transferable securities and money market instruments issued by government issuers; and (iii) investments in cash deposits and cash equivalent securities as set out under the heading Investment Policy at 1.2 below.

Further information in respect of the Quantica Managed Futures Program and the manner in which the Sub-Fund gains exposure to the Quantica Managed Futures Program is set out in more detail under the heading Description of the Quantica Managed Futures Program at 1.4 and Invst policy at 1.2 respectively.

1.2 Investment Policy
In order to achieve the Sub-Fund's investment objective, the Investment Manager intends to invest the net proceeds of any issue of Shares (whether on the Launch Date or subsequently) in some or all of the instruments in a diversified manner (each a "Fund Asset" and together the "Fund Assets") set out below which shall be listed, traded and dealt with on one or more of the Markets set out in Appendix II of the Prospectus. Due to investment in the instruments noted below the Sub-Fund is likely to have a medium to high level of volatility. Save for the ability to meet the Sub-Fund's objective, the ability of the instruments to comply with eligibility requirements set out in the Regulations and in order to deliver positive returns for the Sub-Fund, the Investment Manager does not employ any further selection criteria to determine the Fund Assets in which to invest.

The Sub-Fund, in order to gain exposure to the Quantica Managed Futures Program, may invest all or part of its assets in a diversified manner across about 60 underlying markets using the following instruments:

(a) Future contracts, and options relating to such future contracts, traded on recognized exchanges as listed in Appendix II of Prospectus providing exposure to equity index, bond, interest rate and currencies (Such as US Interest Rates, Sterling interest rates etc),

(b) Foreign exchange forward contracts including non-delivery forwards providing exposure to currencies markets (such as EUR, GBP, CHF etc.);

(c) Over the counter derivatives i.e. total return swaps and options giving exposure to financial indices (such as SPX 500, EUROSTOXX 600, KOSPI etc. which are eligible financial indices within the meaning of the Central Bank UCITS Regulations and the Central Bank Guidance on "UCITS Financial Indices") and equities.

(together the "FDI Portfolio").

The FDI Portfolio will be comprised of components of the Quantica Managed Futures Program, which comply with the requirements in respect to investment in FDIs under the terms of the Regulations.

Further information on the FDIs comprising the FDI Portfolio is set out under the headings "Sub-Fund's Use of Financial Derivative Instruments" and "Information on the Financial Derivative Instruments" at 1.5 and 3 below.

The Sub-Fund may be invested up to 100% of its Net Asset Value in the instruments detailed in (a) to (c) above.

(d) transferable securities in the form of structured financial instruments ("SFI") selected...
by the Investment Manager. The SFI are a type of debt instrument which fall within
the categorisation of transferable securities' as contemplated by the Regulations. The
SFI, together with Sub-Fund’s investment in FDI Portfolio as set out above shall
provide the Sub-Fund with exposure to the Quantica Managed Futures Program (see
Description of the Quantica Managed Futures Program at 1.4 below). The SFI
shall be issued by special purpose vehicles (initially two or more such vehicles
established in either Jersey or Luxembourg) whose share capital will be held by a
charitable trust. The SFI shall be independently valued by a third-party administrator
(initially Crest Bridge) and shall be listed on one or more of the Markets set out in
Appendix II of the Prospectus. The SFI shall provide exposure on a 1:1 basis to
interests in a Cayman Island domiciled trading company which shall track the returns
of the portfolio of exchange traded futures contracts within the equity index, bond,
interest rate, currencies and commodities (such as precious metals, metals, minerals
and foodstuffs) markets and OTC forwards that form part of the Quantica Managed
Futures Program. The SFI shall not embed leverage or derivatives. The investment by
the Sub-Fund in the SFI shall not exceed 20% of the Net Asset Value of the Sub-
Fund. Morgan Stanley & Co. International plc (the "Promoter"), acting in its capacity
as dealer for the SFI (the "Dealer"), shall commit to purchase the SFI from the Sub-
Fund at their most recent net asset value as calculated by the third-party administrator
in the absence of Market Disruption Events applicable to the SFIs only which give
rise to the temporary suspension or termination of the Sub-Fund (further details of
which are set out under the heading Market Disruption Events at 1.7 below), subject
to receiving two Business Days’ prior notice from the Sub-Fund;

(e) collective investment schemes both UCITS and non-UCITS which further the
Investment Objective as set out under the heading Investment Objective at 1.1 above
and in accordance with the requirements of the Regulations and the Central Bank. No
more than 10% of the Net Asset Value of the Sub-Fund may be invested in such
collective investment schemes;

(f) units or shares in closed-ended funds constituted as investment companies or as unit
trusts e.g. Cayman Island domiciled trading companies or unit trusts, which further the
Investment Objective as set out under the heading Investment Objective at 1.1 above,
and which in accordance with the requirements of the Central Bank UCITS
Regulations are deemed to be investments in transferrable securities. No more than
10% of the Net Asset Value of the Sub-Fund may be invested in such instruments;
and

(g) transferrable securities and money market instruments other than the securities
referred to in paragraph (a) and (d) above such as unlisted securities. No more than
10% of the Net Asset Value of the Sub-Fund may be invested in such transferrable
securities and money market instruments.

The following Fund Assets will be invested by the Sub-Fund for the purposes of
Efficient Portfolio Management:

(a) fixed income securities and money market instruments issued by government issuers
which are listed, traded or dealt in on one or more of the Markets set out in Appendix
II of the Prospectus. The fixed income securities and money market instruments in
which the Sub-Fund may invest shall include (but not be limited to) treasury bills, fixed
and floating rate bonds and zero coupon bonds that will be of investment grade or
above. Fixed income securities will be deemed to be investment grade, if they have a
rating BBB- and/or above by Standard & Poor’s, or an equivalent rating by any of the
other principal rating agencies or, if unrated, are determined to be above investment
grade by the Investment Managers. An investment in such fixed income securities
and money market instruments may constitute up to 100% of the Net Asset Value of
the Sub-Fund;
(b) cash deposits and near cash instruments for the purposes of cash management. Cash deposits shall include standard deposits such as bank certificates of deposit and bank deposits with credit institutions. An investment in cash deposits and near cash instruments may constitute up to 100% of the Net Asset Value of the Sub-Fund in the event that the Sub-Fund reduces its investment in SFI. For example, the proportion of the Sub-Fund’s assets invested in cash deposits and near cash instruments is likely to be higher when the Investment Manager anticipates higher liquidity needs resulting from potential investor redemptions; and

(c) financial derivative instruments ("FDI") transactions, being forward currency exchange contracts, currency futures, cross currency asset swaps or currency options can also be used to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. See section 15 of the Prospectus (Efficient Portfolio Management) for more details in this regard.

1.3 Borrowing and Leverage

The Sub-Fund may invest up to 100% of the Net Asset Value of the Sub-Fund in Fund Assets as set out above.

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of the Sub-Fund and the Depositary may charge the Fund Assets as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund may engage in transactions in FDIs (forward currency exchange contracts, currency futures, cross currency asset swaps or currency options, equity and fixed income future contracts) for the purposes of investment, efficient portfolio management and currency hedging within the conditions and limits laid down by the Central Bank from time to time. The Sub-Fund may be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The VaR level will be calculated daily. The level of leverage as measured using sum of notional approach of derivative positions is not likely to exceed 500% of the Net Asset Value of the Sub-Fund.

1.4 Description of the Quantica Managed Futures Program

The Quantica Managed Futures Program (the "Program") is a systematic investment strategy, which is owned and operated by the Investment Manager that aims to detect and take advantage of in price trends for a diversified, liquid investment universe that includes more than 60 futures and fx forward instruments. The investment universe is globally diversified and includes exchange traded futures contracts within the equity index, bond, interest rate, currencies and commodities markets and OTC forwards providing exposure to currencies and interest rate. The Program may take short positions which are created through its use of FDIs, i.e. futures and fx forward instruments on the equity indices, bonds, interest rates, currencies and commodities markets which comprise the Program.

The objective of the Program is to follow a systematic investment and risk management process. The Program is price driven and does not take any other factors other than price movements as a selection criteria for inclusion in the Program.

The Program’s methodology is based on the Investment Manager’s belief that risk premium inherent in assets are variable and can be assessed by applying quantitative and statistical techniques. The systematic investment process can be divided into four steps:

1 Statistical analysis of market data and identifying a trend:
a) Analysis of risk adjusted return data of an instrument (i.e. whether the current returns on a risk adjusted basis indicate a trend when compared against quantitative proprietary indicators); and

b) Assessment of the strength of a trend indicator as determined using proprietary quantitative and qualitative methodologies by Investment Manager in its sole and absolute discretion

2 Model portfolio construction, dynamic allocation of risk capital:

a) Making allocation to an instrument based on the Investment Manager’s assessment of strength of trend; and

b) Restricting the investment in each instrument to a maximum level such that maximum allowed value at risk per instrument is typically around 0.5% on a 99% confidence interval 1 day VaR level.

3 Portfolio management, trade execution and reconciliation:

a) Making decision on the optimum number of positions within the programme with a view to minimise the number of transactions and having a portfolio as close as possible to model portfolio; and

b) Execution of positions in market based on Investment Manager’s perception of liquidity and market situation based on market volume and publicly available market information.

4 Risk and performance analysis and reporting:

a) Continual assessment of portfolio level, asset class level and instrument level risk; and

b) Validation of investment process through performance reporting and risk assessment.

1.5 Sub-Fund’s Use of Financial Derivative Instruments

The Sub-Fund may, subject to the requirements of the Central Bank, enter into FDI transactions both for investment and efficient portfolio management purposes, as set out in Section 1.2 entitled Investment Policy above. The Sub-Fund may take both long and short positions synthetically through the use of FDIs referred to below, namely swaps, options, futures and options on futures, contracts for differences and forward currency exchange contracts, which are further described below.

In addition, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes and the Base Currency of the Sub-Fund as described under Classes of Shares below. For further information on the types of FDIs, including the FDIs comprising the FDI Portfolio, that the Sub-Fund may enter into please see the Section 3 entitled Information on the Financial Derivative Instruments below. If it is proposed to utilize any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance on “UCITS Financial Derivative Instruments and Efficient Portfolio Management” prior to the Sub-Fund engaging in using such FDIs. The FDIs utilised by the Fund may be exchange traded or over-the-counter.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):
Expected | Maximum
---|---
Total Return Swaps/Margin Finance | 10% | 100%
Repurchase Agreements & Reverse Repurchase Agreement | 1% | 100%
Stock Lending | 0% | 0%

The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the total return swaps.

1.6 Profile of a Typical Investor

The Sub-Fund is suitable for professional investors seeking capital growth who are prepared to accept a medium to high degree of volatility. The Sub-Fund may suit investors who are seeking to benefit from the potential diversification and non-correlation benefits of Quantica Managed Futures Program. Typical investors are expected to be informed investors who understand and are willing to accept capital risk. Investors should have at least a 3 to 5-year investment horizon.

1.7 Market Disruption Events

A Market Disruption Event is the occurrence or existence of one or more of the following events, which occur in relation to:

(a) The SFI

(i) it is not possible to obtain a price or value (or an element of such price or value) of the SFI according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(ii) the calculation of the price or value of the SFI is, at the relevant time, in the opinion of the Dealer in respect of SFI impractical or impossible to make;

(iii) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where the SFIs are traded; and/or there exists an event or circumstance that prevents or materially limits transactions in the SFI. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Dealer in respect of the SFI constitute a Market Disruption Event;

(iv) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer in respect of the SFI;

(v) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of the SFI into the Base Currency through customary legal channels, as determined by the Dealer in respect of the SFI;
the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of the SFI to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of the SFI between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer in respect of the SFI;

(vii) a general moratorium is declared in respect of banking activities in London, Dublin or New York;

(viii) the occurrence of any early termination event or event of default or illegality affecting the SFI or other breach of obligations by the issuer of the SFI; and/or

(ix) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affect the holding, acquisition, trading, transfer or hedging of the SFI.

As set out above, upon the occurrence of a Market Disruption Event the Directors will temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or the Directors may, in certain circumstances, terminate the Sub-Fund. For the avoidance of doubt, a Market Disruption Event which relates to Fund Assets other than the SFIs and their underlyings will not impact on the Dealer's commitment to purchase the SFIs from the Sub-Fund at their most recent net asset value as calculated by the third-party administrador.

2 INVESTMENT RESTRICTIONS OF THE SUB-FUND

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be either compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include total return swaps, contract for differences, currency swaps and cross currency asset swaps. A total return swap or a contract for difference is a bilateral financial contract, which allows the Sub-Fund to enjoy all of the cash flow benefits of an asset without actually owning this asset. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency. A cross currency asset swap allows the Sub-Fund to buy a security denominated in one currency but receive floating rate payments in another currency (such as the Sub-Fund's base currency). The cash flows are converted at some predefined exchange rate and the exchange of principal at the end of the term of the swap.

Contracts for Differences. Contracts for difference may be used by the Sub-Fund, for example because unlike traditional share trading, no stamp duty is payable on the purchase of a contract for difference in addition to providing an opportunity for short term trading strategies. Contracts for difference allow the Investment Manager to speculate on share price movements and to benefit from trading shares or indices, without the need for ownership of the shares or indices at a small percentage of the cost of owning the shares or indices. As contracts for difference are directly linked to the value of the underlying assets, they will fluctuate depending on the market of the assets represented in the contract. Contracts for difference will only be used by the Sub-Fund to gain exposure to assets consistent with the investment policies of the Sub-Fund.
Options. The Sub-Fund may also enter into options traded over-the-counter (or OTC options). Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right, but not the obligation to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. Futures can be cash settled as well as physically settled. An option on a futures contract gives the holder the right to enter into a specified futures contract. If the option is exercised, the initial holder of the option would enter into the long side of the contract and would buy the underlying asset at the futures price. A short option on a futures contract lets an investor enter into a futures contract as the short who would be required to sell the underlying asset on the future date at the specified price.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

4 INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is Quantica Capital AG (“Quantica”). The Investment Manager is incorporated in Switzerland with a registered office is at Freier Platz 10, 8200 Schaffhausen, Switzerland and organized under the laws of Switzerland, which is subject to prudential supervision by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”) as asset manager of collective investment schemes pursuant to Art. 13 para. 2 lit. f of the Swiss Federal Act on Collective Investment Schemes (“CISA”).

As at 28 April 2017, Quantica had approximately US$ 437 million of assets under management. Subject to controls imposed by the Directors under the Investment Management Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Fund and the Investment Manager dated 17 July 2015, as amended (the "Investment Management Agreement").

The Investment Management Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of gross negligence, willful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with the terms of its appointment or in pursuance of any request or advice of the Sub-Fund and/or Fund.

The Investment Management Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Investment Management Agreement, either party may terminate the Investment Management Agreement on giving not less than 3 months prior written notice (or such other period as may be agreed between the parties).
5 **RISK MANAGER**

Pursuant to a risk management agreement dated 26 August 2010, as amended (the "Risk Management Agreement"), the Promoter has agreed to provide certain sub-funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the sub-funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under the Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the terms set out therein. Either party may terminate the Risk Management Agreement on giving not less than 90 days' written notice at any time.

6 **RISK FACTORS AND INVESTMENT CONSIDERATIONS**

The risk factors set out in the section entitled Risk Factors in the Prospectus apply. The following additional risk factors also apply:

**General Risks**

**Currency Risk**

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in USD, Euro, Pound Sterling or Swiss Franc, into the USD, EUR, GBP or CHF denominated Share Classes respectively.

The EUR, GBP and CHF denominated Shares are Hedged Share Classes. To the extent that Share Class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund's underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled **Hedged Share Classes** for information on the currency risks associated with investment in those Share classes.

Depending on a Shareholder’s currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

**Counterparty Risk**

The Sub-Fund will purchase or enter into Fund Assets, including SFI, from several counterparties (not excluding the Promoter), which will expose the Sub-Fund to the issuer or credit risk of such counterparties and their ability to satisfy the terms of such contracts.

**Risks and Investment Considerations Associated with the Quantica Managed Futures Program and the Investment Manager**

*The Sub-Fund may be exposed to Entities Which Use Margin Funding*
The Sub-Fund shall obtain exposure to the Quantica Managed Futures Program by investing (in accordance with the Investment Policy) in SFI and unlisted transferable securities. Such instruments may provide the Sub-Fund with direct or indirect exposure to entities which use debt financing or trade on margin (i.e. borrowing against the assets purchased) to obtain an optimum return on their equity capital. The use of such techniques may therefore increase the volatility of the price of the SFI and unlisted securities and as a result may impact the returns of the Sub-Fund.

Trading in Futures is Speculative and Volatile

The rapid fluctuations in the market prices of futures make an investment in the Quantica Managed Futures Program volatile. Volatility is caused by, among other things: changes in supply and demand relationships; weather; agriculture, trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates. The Quantica Managed Futures Program may not take account of all of these factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and this intervention may cause these markets to move rapidly.

Markets or Positions May Be Correlated and May Expose the Sub-Fund to Significant Risk of Loss

Different markets traded or individual positions may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. The Investment Manager cannot always predict correlation. Correlation may expose the Sub-Fund to significant risk of loss.

Increases in Assets Under Management Obtaining Exposure to the Quantica Managed Futures Program Could Lead to Diminished Returns

Quantica Managed Futures Program does not intend to limit the amount of additional equity that it may manage, and it will continue to seek major new accounts which track the Quantica Managed Futures Program. However, in general, the rates of returns often diminish as a trading advisor’s assets under management increase. This can occur for many reasons, including the inability to execute larger position sizes at desired prices and because of the need to adjust the Quantica Managed Futures Program to avoid exceeding speculative position limits. These limits are established by the U.S. Commodity Futures Trading Commission and the exchanges on the number of speculative futures contracts in a commodity that one trader may own or control.

The Sub-Fund’s success is dependent on the performance of the Quantica Managed Futures Program

Therefore, the success of the Sub-Fund depends on the judgment and ability of Quantica in selecting the futures and FDI contracts for the Quantica Managed Futures Program. The Quantica Managed Futures Program may not prove successful under all or any market conditions. If the Quantica Managed Futures Program is unsuccessful, the Sub-Fund may incur losses.

The Sub-Fund’s objective is to provide Shareholders with returns based on the exposure to the Quantica Managed Futures Program; as such the performance of Quantica has an indirect impact on the Sub-Fund’s ability to meet its objective. Quantica in turn, is dependent on the services of a limited number of persons to develop and refine its trading approaches and strategies and execute the trading transactions. The loss of the services of any of Quantica’s principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on Quantica’s ability to manage its trading activities successfully, or may cause Quantica to cease operations entirely. This, in turn, could negatively impact the Sub-Fund’s performance.

The Sub-Fund Places Significant Reliance on the Relationships of the Sub-Fund with Third Parties
The Sub-Fund is dependent on the services of independent third parties to obtain exposure to the Quantica Managed Futures Program. The loss of the services of any such third parties, including any licence to use the Quantica Managed Futures Program, may have an adverse effect on the Investment Manager's ability to implement the Investment Policy of the Sub-Fund and achieve the Investment Objective of the Sub-Fund.

**Exposure to Currencies Involves Certain Risks**

The Sub-Fund's indirect exposure to foreign currencies subjects the Sub-Fund to currency risk. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the relevant countries. In addition, the Sub-Fund may incur transaction costs in connection with conversions between various currencies.

**There Are Disadvantages to Making Trading Decisions Based on Mathematical Analysis**

The Quantica Managed Futures Program will base trading decisions on mathematical analyses of technical factors relating to past market performance. The buy and sell signals generated by such mathematical analysis are derived from a study of actual daily, weekly and monthly price fluctuations. The profitability of such trading decisions depends upon the occurrence in the future of price actions that are not materially different from the past. The program may incur substantial losses during periods when markets behave substantially different from the period in which mathematical analysis is performed for the models.

**Limited Recourse**

A Shareholder will solely be entitled to look to the assets of the Sub-Fund in respect of all payments in respect of its Shares. If the realised net assets of the Sub-Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other sub-fund or any other asset of the Fund.
DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Fund Assets and be reflected in the Net Asset Value of the relevant Share Class.
KEY INFORMATION FOR PURCHASES AND SALES OF SHARES

Base Currency
USD

Classes of Shares

Shares in the Sub-Fund will be available in different classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription/Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.0%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2.0%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2.0%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF10,000</td>
<td>2.0%</td>
<td>20%</td>
<td>CHF1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.0%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1.0%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>Currency Denomination</td>
<td>Currency Hedged Shares</td>
<td>Initial Issue Price per Share</td>
<td>Minimum Initial Subscription</td>
<td>Management Charge</td>
<td>Performance Fee</td>
<td>Minimum Subsequent Subscription/Minimum Repurchase Amount</td>
<td>Minimum Holding (Number of Shares)</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------</td>
<td>------------------------</td>
<td>-----------------------------</td>
<td>------------------------------</td>
<td>------------------</td>
<td>----------------</td>
<td>----------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.0%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>1.0%</td>
<td>20%</td>
<td>CHF10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class H EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€20,000,000</td>
<td>0.75%</td>
<td>20%</td>
<td>€10,000</td>
<td>20,000 Shares</td>
</tr>
<tr>
<td>Class H USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$20,000,000</td>
<td>0.75%</td>
<td>20%</td>
<td>$10,000</td>
<td>20,000 Shares</td>
</tr>
<tr>
<td>Class H GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£20,000,000</td>
<td>0.75%</td>
<td>20%</td>
<td>£10,000</td>
<td>20,000 Shares</td>
</tr>
<tr>
<td>Class H CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF20,000,000</td>
<td>0.75%</td>
<td>20%</td>
<td>CHF10,000</td>
<td>20,000 Shares</td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>1.0%</td>
<td>20%</td>
<td>€10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$250,000</td>
<td>1.0%</td>
<td>20%</td>
<td>$10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>1.0%</td>
<td>20%</td>
<td>£10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class P CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF250,000</td>
<td>1.0%</td>
<td>20%</td>
<td>CHF10,000</td>
<td>250 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>Currency</td>
<td>Participate</td>
<td>Value</td>
<td>Total Value</td>
<td>Return</td>
<td>Unit Value</td>
<td>Shares</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>-----------</td>
<td>-------------</td>
<td>--------</td>
<td>-------------</td>
<td>--------</td>
<td>------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Class B2 EUR</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>0.75%</td>
<td>€1,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Class B2 USD</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>0.75%</td>
<td>$1,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Class B2 GBP</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>0.75%</td>
<td>£1,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Class B2 CHF</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>0.75%</td>
<td>CHF1,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Class</td>
<td>Currency Denomination</td>
<td>Currency Hedged Shares</td>
<td>Initial Issue Price per Share</td>
<td>Minimum Initial Subscription</td>
<td>Management Charge</td>
<td>Performance Fee</td>
<td>Minimum Subsequent Subscription/Minimum Repurchase Amount</td>
<td>Minimum Holding (Number of Shares)</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------</td>
<td>-------------------</td>
<td>-----------------</td>
<td>------------------------------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Class B1 EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€5,000,000</td>
<td>0.5%</td>
<td>10%</td>
<td>€500,000</td>
<td>5,000 Shares</td>
</tr>
<tr>
<td>Class B1 GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£5,000,000</td>
<td>0.5%</td>
<td>10%</td>
<td>£500,000</td>
<td>5,000 Shares</td>
</tr>
<tr>
<td>Class B1 USD Shares</td>
<td>USD</td>
<td>No</td>
<td>$1,000</td>
<td>$5,000,000</td>
<td>0.5%</td>
<td>10%</td>
<td>$500,000</td>
<td>5,000 Shares</td>
</tr>
<tr>
<td>Class B1 CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF5,000,000</td>
<td>0.5%</td>
<td>10%</td>
<td>CHF500,000</td>
<td>5,000 Shares</td>
</tr>
</tbody>
</table>

All fees denoted above are a per cent of Net Asset Value per Share.
The minimum amounts set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate) either generally or in relation to any specific subscription or repurchase. Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Sub-Fund has the power to redeem the remaining holding of any Shareholder who redeems its holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class B1 EUR Shares, Class B1 USD Shares, Class B1 GBP and Class B1 CHF Shares will be the seed investment Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach USD 50 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below. They are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The Class B2 EUR Shares, Class B2 USD Shares, Class B2 GBP and Class B2 CHF Shares will be the initial investor share classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach USD 100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

The EUR, GBP and CHF denominated Share Classes are Hedged Share Classes. In respect of the Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency and the currency in which the relevant Currency Hedged Share Class is denominated. Shareholders in EUR, GBP and CHF denominated Share Classes are referred to the description and risks related to Hedged Share Classes in the section of the Prospectus entitled Risk Factors. All hedging transactions will be clearly attributable to the specific Hedged Share Class(es) and therefore currency exposures of different Share classes shall not be combined or offset and currency exposures of assets of the Sub-Fund shall not be allocated to separate Share classes.

Investors must subscribe into a Share class in the currency in which that Share class is denominated. Repurchase payments are also made in the currency in which the relevant Share class is denominated.

**Initial Offer Period for each Share class**

B1 USD, B1 EUR, B1 CHF, B1 GBP, and B2 USD, Class I USD, Class I CHF, Class H EUR and A CHF Share Classes are available at their net asset value on each Dealing Day.

For all Share Classes other than those mentioned above, the Initial Offer Period was from 9.00 a.m. (Irish time) on 29 June 2017 until 5:30 p.m. (Irish time) on 29 September 2017 (the "Initial Offer Period") as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

**Launch Date**

7 August 2015

**Business Day**

Every day (except legal public holidays in the United Kingdom, Ireland, Switzerland or the United States of America and days on which the stock markets in London are closed) during which banks in Ireland, Switzerland, the United Kingdom and the United States of America are open for normal business and such other day or days as the Directors may
from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Business Day and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

10:00 a.m. Irish time 1 Business Day prior to the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions, 12 midday Irish time 2 Business Days after the relevant Dealing Day. In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions, Shareholders will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

**Valuation Point**

The Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline. In addition, further to the section of the Prospectus entitled Applications for Shares, the Directors may, in their discretion, in exceptional circumstances only, permit applications received after the Dealing Deadline but before close of business on the market that closes first.

**9 CHARGES AND EXPENSES**

**Initial, Exchange and Repurchase Charges**

With respect to Class P Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No repurchase charge shall be payable in respect of the Shares.

The Sub-Fund may also impose an anti-dilution levy or adjustment on net subscriptions or repurchases of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets.

**Management Charge**

The Fund will pay to the Investment Manager from the assets attributable to each class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

1.0% per Class I EUR Shares, Class I USD Shares, Class I GBP Shares and Class I CHF Shares (collectively the "Class I Shares")

1.0% per Class P EUR Shares, Class P USD Shares, Class P GBP Shares and Class P CHF Shares (collectively the "Class P Shares")

2.0% per Class A EUR Shares, Class A USD Shares, Class A GBP Shares and Class A CHF Shares (collectively, the "Class A Shares")

0.75% per Class B2 EUR Shares, Class B2 USD Shares, Class B2 GBP Shares and Class B2 CHF Shares (collectively the "Class B2 Shares")
0.75% per Class H EUR Shares, Class H USD Shares, Class H GBP Shares and Class H CHF Shares (collectively the "Class H Shares")

0.5% per Class B1 EUR Shares, Class B1 USD Shares, Class B1 GBP Shares and Class B1 CHF Shares (collectively the "Class B1 Shares")

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the Management Charge. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

Performance Fee

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the "Performance Fee") is payable in total to the Investment Manager, of, 10% in respect of the Class B1 Shares, 15% in respect of the Class B2 Shares and 20% in respect of the Class A Shares, Class P Shares, Class H Shares and the Class I Shares; of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a "Calculation Period".

"Performance Fee Payment Date" shall mean the date at which the Performance Fee crystallised during a Calculation Period is paid. The Performance Fee Payment Date will be within 14 calendar days of the end of the relevant Calculation Period.

For the first Calculation Period which shall be from the close of the relevant initial offer period to the last calendar day of the year when the Initial Offer period closes for the relevant Share Class, the "High Water Mark Net Asset Value" means the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The relevant initial offer price will be taken as the starting price for the calculation of the initial Performance Fee for a Share Class.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased with respect to any subscriptions or decreased pro rata with respect to any redemption of Shares which have taken place during such Calculation Period. With regard to redemptions, the High Water Mark Net Asset Value for a Share Class is decreased by an amount equal to the percentage which such redemptions represent of the Net Asset Value of the Share Class on the relevant Dealing Day (i.e., if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, the High Water Mark Net Asset Value for a Share Class is increased by an amount equal to the value of the subscription. As such, the Performance Fee is calculated on the increase over the previous highest Net Asset Value on which the Performance Fee was paid. The Performance Fee is only payable on the increase over the High Water Mark Net Asset Value.

For each subsequent Calculation Period for a Share Class, the "High Water Mark Net Asset Value" means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, and on each Dealing Day increased with respect to any subscriptions or decreased pro rata with respect to any redemption of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, and on each Dealing Day increased with respect to any subscriptions or decreased pro rata with respect to any redemption of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee shall be equal to 10% for Class B1 ,15% for Class B2 and 20% for the Class I, Class P and Class A Shares of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period.
Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the High Water Mark Net Asset Value on which a performance fee was paid. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on the Performance Fee Payment Date to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

Risk Management, Administrator’s and Depositary’s Fees

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the Fund Assets or, if paid by the Depositary, shall be reimbursed to the Depositary out of the Fund Assets.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the Fund Assets. The Investment Manager will be responsible for discharging the fees of the Distributor and any licensing fees out of its own fees.

Indirect Charges

The Sub-Fund will incur additional charges associated with obtaining exposure to the Quantica Managed Futures Program. Such indirect charges include, for example and without limitation, fees and expenses of the Cayman trading company which acts as the underlying asset of the SFI which the Sub-Fund invests in. Such indirect charges shall accrue on a daily basis and not exceed 0.30% of the Net Asset Value of the Sub-Fund per
annum.

10 **HOW TO SUBSCRIBE FOR SHARES**
Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

11 **HOW TO SELL SHARES**
Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

12 **HOW TO EXCHANGE SHARES**
Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

13 **ESTABLISHMENT CHARGES AND EXPENSES**
The cost and expenses of establishing the Sub-Fund have been paid by the Promoter.

14 **OTHER CHARGES AND EXPENSES**
Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings *Management Charges and Expenses and General Charges and Expenses.*
This Supplement contains specific information in relation to the Academy Quantitative Global UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund is managed by Academy Investment Management LLC (“Academy”). This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

A significant amount of the Sub-Fund’s economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled “Directors of the Fund” in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INVESTMENT OBJECTIVE AND POLICIES</td>
<td>345</td>
</tr>
<tr>
<td>2</td>
<td>INVESTMENT RESTRICTIONS</td>
<td>347</td>
</tr>
<tr>
<td>3</td>
<td>INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS</td>
<td>347</td>
</tr>
<tr>
<td>4</td>
<td>INVESTMENT MANAGER</td>
<td>348</td>
</tr>
<tr>
<td>5</td>
<td>RISK MANAGER</td>
<td>349</td>
</tr>
<tr>
<td>6</td>
<td>BORROWING AND LEVERAGE</td>
<td>349</td>
</tr>
<tr>
<td>7</td>
<td>RISK FACTORS</td>
<td>349</td>
</tr>
<tr>
<td>8</td>
<td>DIVIDEND POLICY</td>
<td>357</td>
</tr>
<tr>
<td>9</td>
<td>KEY INFORMATION FOR PURCHASING AND SELLING</td>
<td>357</td>
</tr>
<tr>
<td>10</td>
<td>CHARGES AND EXPENSES</td>
<td>359</td>
</tr>
<tr>
<td>11</td>
<td>HOW TO SUBSCRIBE FOR SHARES</td>
<td>362</td>
</tr>
<tr>
<td>12</td>
<td>HOW TO REPURCHASE SHARES</td>
<td>362</td>
</tr>
<tr>
<td>13</td>
<td>HOW TO EXCHANGE SHARES</td>
<td>362</td>
</tr>
<tr>
<td>14</td>
<td>ESTABLISHMENT CHARGES AND EXPENSES</td>
<td>362</td>
</tr>
<tr>
<td>15</td>
<td>OTHER CHARGES AND EXPENSES</td>
<td>362</td>
</tr>
</tbody>
</table>
Investment Objective and Policies

1.1 Investment Objective

The Sub-Fund’s investment objective is to achieve positive return by investment in a market neutral portfolio.

1.2 Investment Policy

The Sub-Fund will seek to achieve its investment objective by investing primarily (on a long and short basis) in one or more of the following asset classes: (i) equities; (ii) equity related securities, including, without limitation, (a) common and preferred stock; (b) convertible stock; (c) rights and (d) (American Depositary Receipts ("ADRs")) listed or traded on the Markets globally as referred to in Appendix II of the Prospectus. The Sub-Fund will primarily invest in equities and equity related securities of issuers without any geographical, sector or market cap focus. Convertible stock may include embedded options in which case leverage will be a component of such options, but such leverage is not expected to be material.

The Sub-Fund will also invest in financial derivative instruments ("FDI") including exchange-traded derivatives (as described in more detail under "Information on Financial Derivative Instruments" below), OTC swaps (as detailed in the “Swaps” section below), options on equities and / or equity related securities, forwards, futures on equities and / or equity related securities, and contracts for differences on equities and / or equity related securities listed or traded on the Markets globally referred to in Appendix II of the Prospectus. Moreover, the Sub-Fund may invest in exchange traded funds ("ETFs"), for investment and/or hedging purposes, subject to the overall limit on investment in collective investment schemes set out below. ETFs may be used for hedging purposes by taking synthetic short positions in index or sector ETFs to hedge the market / industry risk in individual stock positions. The Sub-Fund may invest in emerging markets without limitation.

The Sub-Fund may use participation notes ("P-notes") and warrants, (together “Access Notes”), to gain exposure to equities and equity related securities of issuers in otherwise restricted markets. For example, the Sub-Fund will obtain exposure to India, a restricted market, through P-Notes, and China, a restricted market through warrants. The Access Notes in which the Sub-Fund may invest, may include embedded derivatives or leverage but they will provide 1:1 exposure to underlying equity and equity related securities. While the Sub-Fund may invest in such restricted markets in the manner outlined in this paragraph, the Sub-Fund is not intended to have a particular focus on such markets.

The Sub-Fund will also have access to eligible China A shares via Stock Connect using FDI.

Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), the Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between mainland China and Hong Kong.

Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and a securities trading service company to be established by The Stock Exchange of Hong Kong Limited (“SEHK”), may be able to trade eligible shares listed on SSE by routing orders to SSE or Shenzhen Stock Exchange (“SzSE”), as the case may be.

The Sub-Fund will not take physical short positions and may only be taken synthetically through the use of FDI. The Sub-Fund may employ long (both direct and synthetic) and synthetic short positions. Synthetic positions are established through the use of FDI (as detailed below). The Sub-Fund may, following an analysis set out under “Investment Process” below, take short positions in respect of stocks which it believes are overvalued by the marketplace. The Sub-Fund may, subject to the requirements laid forth by the Central Bank, enter into exchange traded and over-the-counter FDI transactions for investment, hedging and efficient portfolio management purposes. The Sub-Fund may utilize equity and equity index options for both investment and hedging purposes.
FDIs may include swaps, options, futures and options on futures, contracts for differences (CFD) and forward currency exchange contracts. For example: (i) equity swaps and CFDs may be utilised for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) index futures on broad based indices, such as the S & P 500, Eurostoxx 50 and Nikkei 225, and may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market or for investment purposes; and (iv) options on futures may be utilised to quantify the potential loss from a contract expiring in a loss position or for investment purposes.

In addition, for example, FDI may be used to seek to hedge against the risk of adverse currency movements between the Hedged Share Classes as described under Classes of Shares below. For further information on the types of FDIs that the Sub-Fund may enter into please see the section entitled Information on the Financial Derivative Instruments below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance entitled UCITS Financial Derivative Instruments and Efficient Portfolio Management for clearance prior to the Sub-Fund engaging in using such FDIs. See the section “Information on Financial Derivative Instruments” below for a description of the FDI which may be employed.

The ratio of long and synthetic short investments in equities and equity related securities may vary through time. The net market exposure of the Sub-Fund will generally be between -10% and 10% of the Net Asset Value of the Sub-Fund. While the Investment Manager aims to build a market neutral portfolio, the movements in underlying investments may result in deviation from market neutrality as it might not always be feasible to adjust the portfolio to bring net exposure to zero. The long exposure to equities and equity related securities will generally be between 200% and 400% of the Net Asset Value of the Sub-Fund and short exposure to equities and equity related securities will generally be between 200% and 400% of the Net Asset Value of the Sub-Fund.

No more than 10% of the Net Asset Value of the Sub-Fund may be invested in collective investment schemes, which includes all open-ended ETFs (which may be UCITS or alternative investment funds which meet the requirements in respect of acceptable collective investment scheme investments for UCITS), which provide exposure to listed and unlisted equities and are consistent with the investment objective of the Sub-Fund.

The Sub-Fund may also hold, for the purpose of efficient portfolio management, ancillary liquid assets, which may include bank deposits, certificates of deposit, fixed or floating rate instruments, government securities, commercial paper, floating rate notes and freely transferable promissory notes. The fixed income securities in which the Sub-Fund may invest will be rated at or above investment grade and may be unrated and be either fixed or floating and government or corporate. Fixed income securities will be deemed to be investment grade, if they have a rating BBB- and/or above by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be above investment grade by the Investment Managers. The Sub-Fund will not invest in below investment grade fixed income securities.

The investments of the Sub-Fund (other than permitted unlisted investments) will be listed or traded on the markets referred to in Appendix II of the Prospectus.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps, “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes only. The Sub-Fund will not engage in stock lending arrangements.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>500%</td>
<td>800%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Repurchase Agreement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The counterparties to all derivative transactions, which may or may not be related to the Company, Investment Manager or Depositary, will be entities with legal personality typically located in OECD
jurisdictions subject to prudential supervision and belonging to categories permitted by the Central Bank UCITS Regulations and will not have discretion over the assets of the Sub-Fund. A credit assessment will be undertaken with respect to each counterparty and where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken.

Investment Process

The Investment Manager’s investment process is to build a market neutral portfolio of long and short positions with an objective to generate positive returns (the “Investment Process”).

To reduce market risk, the Investment Manager will (i) trade a broad set of equities, equity-related securities and FDI that reference equities across multiple markets and (ii) maintain a market neutral portfolio with the expected net market value of long positions in United States Dollars being generally within 10% of the net market value of short positions in United States Dollars. In addition, the Investment Manager will seek to reduce security specific risk by generally limiting exposure to any one security to no more than 10% of the Net Asset Value of the Sub-Fund.

The Investment Process’ primary aim is to exploit the short term anomalies in price existing in respect of the equities. The Investment Process employs mathematical and statistical models that analyse how non-technical factors (like earnings, analyst forecasts) and technical factors (like volume and historical price movements) affect the price of an equity over various time horizons. The Investment Manager’s mathematical and statistical models also factor in market structure and transaction costs in the investment decision making process.

In-depth and ongoing research drives the majority of the Investment Manager's model development. In addition, the Investment Process puts emphasis on the construction of a well-diversified portfolio and prudent risk management. This is achieved by a integration of risk management in portfolio construction process so as to reduce portfolio exposure to systemic risks.

Profile of a Typical Investor

An investment in the Sub-Fund is suitable for investors seeking long to medium term appreciation of capital. Shares in the Sub-Fund are available to both individual and institutional investors.

2 Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply. In addition, the Sub-Fund will not directly invest in equity securities listed or traded on recognised markets in Russia.

The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include total return swaps and CFD. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset.

The underlying reference assets of the total return swaps can be single name equity, single name equity future or equity securities, indices or custom baskets of equity securities or currencies. A CFD is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. The counterparties to swap
transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund.

**Options.** The Sub-Fund may also enter into exchange-traded options and options traded over-the-counter (or OTC options) on equity and equity indices. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

**Futures and Options on Futures.** The Sub-Fund may also enter into futures and options on futures on equity and equity indices. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

**Forward Currency Exchange Contracts.** Forward currency exchange contracts may be used for Share Class hedging purposes. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

**Convertible stock.** Convertible stocks are preferred shares that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. When the equity value of the convertible is low, the convertible’s value behaves like a preferred share. As the equity value goes up, the convertible’s value behaves more like a common stock. Investors benefit as they receive the upside participation of an equity rising, but the downside protection is given by the preferred share if the equity into which it may convert falls in value.

4 **Investment manager**

The Fund has appointed Academy Investment Management LLC, a Delaware limited liability company (the “Investment Manager” or “Academy”), as the investment manager of the Sub-Fund. The Investment Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission (the “SEC”). The Investment Manager has its principal offices at 529 Fifth Avenue 8th floor, NY, NY 10117, U.S.A. and manages approximately $200 million of assets as at 31 December 2015.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager dated 8 July 2016 (as amended and as may be further amended) in relation to the Sub-Fund (the “Agreement”), all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of gross negligence, willful default or fraud by itself, its directors, officers, servants, employees and appointees. The Fund shall indemnify and keep indemnified and hold harmless the Investment Manager, any direct or indirect parent of the Investment Manager or any of its employees (collectively, “Indemnified Parties”) from and against any and all actions, suits, proceedings, claims, assessments, demands, losses, damages, liabilities, costs and expenses directly or indirectly suffered or incurred by the Investment Manager as a consequence of (i) any action or inaction of an Indemnified Party under the Agreement, including, without limitation, any judgment, settlement, reasonable attorneys’ fees and other costs or expenses incurred in connection with the defence of any actual or threatened action or proceeding, except to the extent the Investment Manager has been determined by a court of competent jurisdiction to have breached its standard of care under the Agreement and/or (ii) any material breach by the Fund of any term of the Agreement.
Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 90 days’ prior written notice (or such other period as may be agreed between the parties). In addition, the Agreement may be terminated at any time in the circumstances set out in the Agreement.

5  
**RISK MANAGER**

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

6  
**Borrowing and Leverage**

The Fund may directly borrow money in an amount up to 10% of its Net Asset Value at any time for the account of the Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years.

As outlined above, the long exposure to equities and equity related securities will generally be between 200% and 400% of the Net Asset Value of the Sub-Fund and short exposure to equities and equity related securities will generally be between 200% and 400% of the Net Asset Value of the Sub-Fund. Therefore the Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 400% and 800% of the Net Asset Value of the Sub-Fund.

7  
**Risk Factors**

8.1 The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

8.2 The following additional risk factors also apply:

**Equity Investment Risk**

The Sub-Fund will purchase equity securities and hence is subject to the risk that stock prices will fall over short or extended periods of time. Investors can potentially lose all, or a substantial portion, of their
investment in the Sub-Fund.

**Dependence on Key Individuals**

The success of the Sub-Fund depends heavily on the services of the managing member of the Investment Manager, Dr. Ellen Wang. Dr. Wang is responsible for the development and implementation of the investment strategies that achieve the Sub-Fund's investment objective. There can be no assurance that the investment decisions or actions of Dr. Wang will be correct. Should Dr. Wang be unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

**Currency Risk**

The Base Currency of the Sub-Fund is US Dollars. Shareholders may subscribe in Swiss Francs, Pounds Sterling, US Dollars or Euros into the CHF, GBP, USD and EUR denominated Share Classes respectively.

The CHF, GBP and EUR denominated Shares are Hedged Share Classes. Shareholders in the Hedged Share Classes are urged to read the risk factor in the Prospectus entitled **Hedged Share Classes** for information on the currency risks associated with investment in those Share classes.

**Investment in Non-U.S. Securities**

Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies, and utilization of currency spot and forward contracts and options on currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

**Emerging Markets**

Compared to developed markets, emerging markets usually present a greater degree of risk, such as less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favorable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

The inefficiency of the markets, the poor quality and reliability of official data published by governments or security exchanges and the non-uniformity of accounting and financial reporting standards make the analysis of emerging markets more complex and investment opportunities riskier. Additionally, low volume levels and low liquidity levels constitute entry and exit barriers magnified by the legal restrictions imposed by certain emerging markets governments.

**Investment in High Growth Industries**

Certain of the high growth companies in which the Sub-Fund may invest, may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which the Sub-Fund invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence.

Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.
Further, many high growth companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company.

There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Fund invests.

Conversely, other companies may make infringement claims against a company in which the Sub-Fund invests, which could have a material adverse effect on such company.

The markets in which many high growth companies operate are extremely competitive.

New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Sub-Fund invests will successfully penetrate their markets or establish or maintain competitive advantages.

**Market Capitalization Risk**

The Sub-Fund may invest in the stocks of companies having smaller market capitalizations, including mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.
"New Issue" Securities

The Sub-Fund may invest in initial public offerings ("IPOs"). As there is no prior public market for such securities, there can be no assurance that an active public market will develop or continue after an investment has been made. Securities purchased in IPOs carry additional risks beyond those in general securities trading. While these "new issues" may offer significant opportunities for gain because of wide fluctuations in price, such fluctuation could work to the material disadvantage of the Sub-Fund.

Nature of Investments

The Investment Manager has broad discretion in making investments for the Sub-Fund. Investments will generally consist of equity securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Sub-Fund’s activities and the value of its investments. No guarantee or representation is made that Sub-Fund’s investment objectives will be achieved.

Speculative Nature of Certain Investments

Certain investments of the Sub-Fund may be regarded as speculative in nature and involving increased levels of investment risk. Since an inherent part of the Investment Manager’s strategy will be to identify securities and other investments that are undervalued (or, in the case of short positions, overvalued) by the marketplace, success of such strategy necessarily depends upon the market eventually recognizing such value in the price of the security or other investment, which may not necessarily occur. Accordingly, investors in the Sub-Fund must be prepared to assume the risks inherent in such speculative investments.

Performance Fee – No Equalisation

The methodology used in calculating the Performance Fees in respect of the Class B, Class A, Class P and Class I Shares may result in inequalities as between Shareholders in relation to the payment of Performance Fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the Performance Fee calculation).

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI, repo or securities lending agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund aims to mitigate its credit risk to its counterparties by receiving collateral but, to the extent that any FDI is not collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund will maintain an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

Brokerage and Other Arrangements

In selecting brokers or dealers to effect portfolio transactions, the Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Investment Manager may cause commissions to be paid to a broker or dealer that furnishes or pays for research, services or equipment at a higher price than that which might be charged by another broker or dealer for effecting the same transaction. In the event that the Investment Manager does enter into soft commission arrangement(s) it shall seek to ensure that (i) the broker or counterparty to the arrangement will provide best execution to the Sub-Fund; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the Sub-Fund and/or other clients of the Investment Manager and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the following report of the
Fund. In the event that such report is the unaudited semi-annual report, details shall also be included in the following annual report.

Broker Credit Risks

Assets deposited as margin with executing brokers need not be segregated from the assets of such executing brokers. Such assets may therefore be available to the creditors of such executing brokers in the event of their insolvency. The failure or bankruptcy of a broker may result in adverse consequences for the assets of the Sub-Fund and may in turn, have an adverse effect on the Net Asset Value of the Sub-Fund.

Settlement Risks

The Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in a number of less developed markets in Asia in relation to the settlement of securities transactions and custody of assets will provide increased risk. The clearing, settlement and registration systems available to effect trades in such markets are significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the Net Asset Value and liquidity of the Sub-Fund.

Possible Adverse Tax Consequences

The Investment Manager cannot assure any investor that the relevant, applicable tax authorities (each a "Tax Authority") will accept the tax positions taken by the Investment Manager and/or the Sub-Fund. If any Tax Authority successfully contests a tax position taken by the Investment Manager and/or the Sub-Fund, the Investment Manager and/or the Sub-Fund may be liable for tax, interest or penalties and the investors may need to file or amend one or more tax returns.

Futures

Futures prices may be volatile. This volatility may lead to substantial risks and returns, possibly much larger than in the case of equity or fixed income investments. The Sub-Fund may trade futures on a leveraged basis. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Sub-Fund.

Futures trading may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Sub-Fund from promptly liquidating unfavourable positions, subjecting the Sub-Fund to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For the purposes of complying with speculative position limits, the Sub-Fund's outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Investment Manager or any agent of the Investment Manager. As a result, the Sub-Fund may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures.

Some non-U.S. exchanges are “principals’ markets” in which no common clearing facility exists and a trader may have limited recourse with respect to a contract. In addition, unless the Sub-Fund hedges against fluctuations in the exchange rate between the USD (being the Base Currency of the Sub-Fund) and other currencies in which trading is done on non-US exchanges, any profits that the Sub-Fund realises in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Sub-Fund could incur losses as a result of those changes.

Options

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause the value of Shares to be subject to more frequent and wider fluctuations than would be the case if the Sub-Fund did not invest in options.
Compulsory Repurchase of Shareholder’s Shares

The Directors have the right to repurchase, in accordance with the Articles, all of the Shares of any Share Class held by a Shareholder if a Shareholder fails to produce all required information for anti-money laundering purposes, or, given the potential pecuniary, regulatory, legal or material administrative disadvantages for the Fund.

Conflicts of Interest

The Investment Manager (and its principals, directors, shareholders, affiliates or employees) serve or may serve as investment manager or investment advisor to other client accounts and conduct investment activities for their own accounts (such entities and accounts are referred to collectively as the “Other Clients”). Such Other Clients may have investment objectives or may implement investment strategies similar to those of the Sub-Fund.

The Investment Manager (or its principals, directors, shareholders, affiliates or employees) may give advice or take action with respect to such Other Clients that differs from the advice given with respect to the Sub-Fund. It may not always be possible or consistent with the investment objectives of the Other Clients and of the Sub-Fund for the same investment positions to be taken or liquidated at the same time or at the same price. Participation in specific investment opportunities may be appropriate, at times, for the Sub-Fund and one or more of the Other Clients. In such cases, participation in such opportunities will be allocated on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the Sub-Fund and the Other Clients for which participation is appropriate.

The existence of the Performance Fee may create an incentive for the Investment Manager to make more speculative investments on behalf of the Sub-Fund than it would otherwise make in the absence of such performance-based fee. The Performance Fee may result in performance fees to the Investment Manager that may be greater than performance fees paid to other managers for similar services. In addition, the Management Fee is paid without regard to the overall success of the Sub-Fund.

The Investment Manager and its affiliates manage the Other Clients pursuant to various fee arrangements. Differences in such fee arrangements may give them an incentive to prefer such Other Clients above the Sub-Fund. For example, certain of such Other Clients may participate in an incentive fee arrangement, which may be more economically favorable to the Investment Manager. Nonetheless, the Investment Manager intends to act in a manner that is fair to all its clients, including the Sub-Fund.

In addition, purchase and sale transactions (including swaps) may be effected between the Sub-Fund and Other Clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commission or fee (except for customary transfer fees or fees paid to a third party broker) or other remuneration shall be paid in connection with any such transaction.

The Investment Manager (and its principals, directors, shareholders, affiliates or employees) may conduct any other business including any business within the securities industry.

Risk Related to Statistical and Mathematical Models

The Sub-Fund will use quantitative mathematical models that rely on patterns inferred from historical data and other financial data in evaluating prospective investments. Many of the trading strategies developed by the Investment Manager assume that repeated past behaviour of the markets can be used to predict the future, at least in limited ways. Many of the strategies are developed by simulating the performance of a given strategy over historical data. However, financial and economic patterns are not immutable and there can be no guarantee that the relationships that appeared to govern financial instruments and their prices in the past will continue in the future. Statistical procedures cannot fully match the complexity of the markets and as such result of their applications are uncertain. Even if all the assumptions underlying the models were met exactly, a model can only make a prediction and there can be no assurance that the future performance will match the prediction.

Technology and Electronic/Active Trading Risks
The success of the Sub-Fund will be dependent upon the expertise of the Investment Manager combined with the efficacy, the availability of proprietary and non-proprietary software and automated trading systems. The Investment Manager expects to use an investment strategy that involves active trading through the use of electronic trading systems. Such active trading presents the risk of large, immediate losses. The electronic trading systems, no matter how convenient or efficient, do not reduce risk associated with active trading. The software and electronic trading systems which the Investment Manager intends to utilise are relatively new and has been put to limited use to date in portfolio management activities. There can be no guarantee that the software and electronic trading systems will achieve their intended objectives. For the avoidance of doubt, the Investment Manager is the only entity appointment with investment discretion.

The Sub-Fund relies extensively on computer programs and systems to trade clear and settle securities transactions, to evaluate numerous investments based on real time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Sub-Fund’s activities. The Sub-Fund’s business is highly dependent on its ability to process on a daily basis a large number of transactions across diverse markets. The ability of its systems to accommodate an increase volume of transactions could constrain the Sub-Fund’s ability to properly manage the portfolio. As with all facilities and systems, the Sub-Fund’s electronic trading systems, hardware and software are vulnerable to disruption, failure, inaccuracies and/or security breaches, system or software crashes, signal power disruptions and failure of routing systems. System delay or failure can have negative results on investment selection and execution. The result of any system related failure may include, but is not limited to trades being executed without Investment Manager authorisation, incorrect execution or not being executed at all.

Investment in the PRC

Investments directly in People’s Republic of China (“PRC”) companies or which provide exposure to PRC companies involve certain risks and special considerations not typically associated with Anglo sphere markets (i.e. Australia, Canada, New Zealand, the United Kingdom and the US), such as greater government control over the economy, political and legal uncertainty, controls imposed by the PRC authorities on foreign exchange and movements in exchanges rates (which may impact on the operations and financial results of PRC companies), confiscatory taxation, the risk that the PRC government may decide not to continue to support economic reform programs, the risk of nationalisation or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, potential difficulties in enforcing contractual obligations and limitations on the ability to distribute dividends due to currency exchange issues, which may result in risk of loss of favourable tax treatment.

The Shanghai Stock Exchange and the Shenzhen Stock Exchange may have lower trading volumes when compared to exchanges in developed markets and the market capitalizations of many listed companies are small compared to those on exchanges in developed markets. The listed equity securities of many companies in the PRC, such as China A Shares, are accordingly less liquid and may experience greater volatility than in more developed, OECD countries.

Government supervision and regulation of the PRC securities market and of quoted companies is also less developed than in many OECD countries. The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the capital growth and performance of such investments and the Net Asset Value of the Sub-Fund, the ability to redeem Shares in the Sub-Fund and the price at which such Shares may be redeemed. The evidence of title of exchange-traded securities in the PRC consists only of electronic book entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

These risks may be more pronounced for the China A Share market than for PRC securities markets generally because the China A Share market is subject to greater governmental restrictions and control. Moreover, information available about PRC companies may not be as complete, accurate or timely as information about listed Anglo sphere companies. Under the current PRC regulations, the categories of foreign investors can invest directly in the China A Share market are limited (and include institutions that have obtained QFII status or which invest via Stock Connect). The Investment Manager does not currently hold QFII status and therefore it is anticipated that the Sub-Fund will gain any exposure that it takes to the China A Share market through Stock Connect and will not invest in this market through a
QFII license.

To the extent that the Sub-Fund participates in Stock Connect or any similar access program that is novel, new or under development, the Sub-Fund may be subject to new, uncertain or untested rules and regulations promulgated by the relevant regulatory authorities. Moreover, current regulations governing the Sub-Fund’s investment in PRC companies may be subject to change. There can be no assurance that Stock Connect or any other investment program will not be abolished and the Sub-Fund may be adversely affected as a result of such changes.

**Risks Associated with Stock Connect**

If the Sub-Fund invests through Stock Connect, it will be subject to the following additional risks.

**Quota limitations**

Trading under Stock Connect will be subject to Daily Quota. Northbound trading will be subject to a separate daily quota. The Sub-Fund does not have exclusive use of the daily quota and such quotas are utilised on a first-come-first served basis.

Once the remaining balance of the Northbound Daily Quota which is set at RMB 13 billion, drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund’s ability to invest in China A Shares through Stock Connect on a timely basis.

**Suspension risk**

It is contemplated that SEHK, SSE and SzSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Stock Connect is effected, the Sub-Fund’s ability to access the PRC market will be adversely affected.

**Clearing and settlement risk**

The Hong Kong Securities Clearing Company Limited (“HKSCC”), a wholly-owned subsidiary of HKEx, and ChinaClear have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfill the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC’s liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

**Taxation risk**

According to a circular of Caishui 2014 No. 81 jointly issued by PRC Ministry of Finance (“MOF”), State Administration of Tax (“SAT”) and China Securities Regulatory Commission (“CSRC”) on 14 November 2014, the capital gains realised by the Sub-Fund from trading of eligible China A Shares on the SSE under Stock Connect currently enjoy a temporary exemption from PRC income tax. According to another circular Caishui 2016 No.36 jointly issued by the MOF and SAT, the capital gains realized by the Sub-Fund from trading of eligible China A Shares on the SSE under Stock Connect enjoy exemption from PRC value-added tax. However, it is uncertain when such exemption will expire and whether other PRC taxes will be applicable to trading of SSE Securities under Stock Connect in the future. The dividends derived from SSE Securities are subject to a 10% PRC withholding tax, except that investors who are tax residents of other countries which have entered into tax treaties with China whereunder the
applicable tax rate for dividends is lower than 10% may apply to the competent tax authority for applying the lower tax rate under the treaty. PRC stamp duty is also payable for transactions in SSE Securities under Stock Connect. Given that the relevant tax guidance concerning Stock Connect was issued on 14 November 2014 and is yet to be established in the administrative practice of the PRC tax authorities, there are uncertainties as to how the guidance would be implemented in practice. In addition, the PRC tax authorities may issue further guidance on the tax consequences relating to SSE Securities at any time and, as a result, the PRC tax positions of the Sub-Fund may change accordingly.

According to the above, the Sub-Fund will not make any PRC income tax or business tax provision for realised and unrealised gains derived from trading SSE Securities under Stock Connect until and unless a tax provision is required by any further guidance issued by PRC tax authorities.

8 Dividend Policy

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant class of Shares.

9 Key Information for Purchasing and SELLING

Base Currency

US Dollar

Classes of Shares

Shares in the Sub-Fund will be available in different classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Fee</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.25%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2.25%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2.25%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF10,000</td>
<td>2.25%</td>
<td>20%</td>
<td>CHF1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I Swiss</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>CHF10,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Shares</td>
<td>Currency</td>
<td>Subscription</td>
<td>Minimum Holding</td>
<td>Initial Repurchase Amount</td>
<td>Minimum Initial Subscription</td>
<td>Minimum Subsequent Subscription</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>----------</td>
<td>--------------</td>
<td>-----------------</td>
<td>---------------------------</td>
<td>-----------------------------</td>
<td>-------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>€10,000</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>US$250,000</td>
<td>$10,000</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>£10,000</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class P CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF250,000</td>
<td>CHF10,000</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>€10,000</td>
<td>17.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>$10,000</td>
<td>17.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>£10,000</td>
<td>17.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>CHF10,000</td>
<td>17.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified in advance of any permanent change to the Minimum Initial Subscription, the Minimum Subsequent Subscription, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Class to below the Minimum Holding.

The Class B EUR Shares, Class B CHF Shares, Class B USD Shares and Class B GBP Shares will be the early bird Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the Net Asset Value of the Sub-Fund reach US$100 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

The GBP, CHF and EUR denominated Share Classes are Hedged Share Classes. In respect of the Hedged Share Classes, the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Hedged Share Class is denominated. Such transactions will be allocated solely to the relevant Hedged Share Class. Therefore, currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Share classes. Investors in GBP, CHF and EUR denominated Share Classes are referred to the description and risks related to Hedged Share Classes in section 16.6 of the Prospectus.

Investors must subscribe into a Share class in the currency in which that Share class is denominated. Repurchase payments are also made in the currency in which the relevant Share class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period for each Share Class**

The initial offer period for all Share classes other than class B USD Shares and Class B EUR Shares shall be from 9.00 a.m. (Irish time) on 24 July 2017 until 5:30 p.m. (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Class B USD and Class B EUR shares are available for dealing on each Dealing Day.
**Business Day**

Every day (except legal public holidays in the United Kingdom, the United States of America or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland, the United States of America and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Business Day (except legal public holidays in the United Kingdom, United States of America or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland, the United States of America and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

In the case of subscriptions, 12 midday Irish time 3 Business Days prior to the relevant Dealing Day.

In the case of repurchases, 12 midday Irish time 3 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion and in exceptional circumstances, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions, by 12 midday Irish time 3 Business Days after the relevant Dealing Day.

In the case of redemptions, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

In the case of transferable securities and listed FDI, the valuation point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the valuation point will be the close of business on the Dealing Day of the markets relevant to the underlying assets to which the FDIs relate or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

---

**CHARGES AND EXPENSES**

**Initial, Exchange and Repurchase Charges**

With respect to Class A GBP Shares, Class A USD Shares, Class A CHF Shares and Class A EUR Shares, the Sub-Fund may on any Dealing Day that a Shareholder subscribes for Shares require such Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor (which may be an affiliate of the Investment Manager) or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P GBP Shares, Class P USD Shares, Class P CHF Shares and Class P EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund
may be paid to the Distributor, or any sub-distributor (which may be an affiliate of the Investment Manager) or intermediary, who has the discretion to waive or rebate such charge.

No exchange charge or repurchase charge shall be payable in respect of the Shares.

The Sub-Fund may impose an anti-dilution levy or adjustment on the issue or repurchase of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets. Investors should note that this anti-dilution levy includes any cost associated with the purchase or sale of investments including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other transaction costs.

Management Fee

The Fund will pay in aggregate to the Investment Manager from the assets attributable to each Share Class the following fees ("Management Fees") which are based on a percentage of Net Asset Value attributable to such Share Class, which is accrued daily and paid monthly in arrears at an annual rate set out below:

2.25% per Class A GBP Share, Class A USD Share, Class A CHF Share and Class A EUR Share (collectively, the “Class A Shares”); 1.5% per Class I GBP Share, Class I USD Share, Class I CHF Share and Class I EUR Share (collectively, the “Class I Shares”); 1.5% per Class P GBP Share, Class P USD Share, Class P CHF Share and Class P EUR Share (collectively, the “Class P Shares”); 1.50% per Class B GBP Share, Class B USD Share, Class B CHF Share and Class B EUR Share (collectively, the “Class B Shares”)

Research and Data Fees

The Fund will pay the Investment Manager a fee which will not exceed 0.10% of the net assets of the Sub-Fund per annum as reimbursement for costs incurred in getting access to market research and data including but not limited to analyst research, news and quotation equipment and services (including fees for data and software providers), expenses related to all market data and related software used by the Investment Manager.

Performance Fee

In addition to the other fees payable in respect of each Share class in the Sub-Fund, a performance fee (the “Performance Fee”) is payable in total to the Investment Manager equal to (i) 17.5% for Class B Shares 20% in respect of the Class A Shares, Class P Shares and Class I Shares; of the net appreciation in the net asset value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

For the first Calculation Period, the “High Water Mark Net Asset Value” means the Initial Issue Price for the relevant Share class (which will be taken as the starting price for the calculation of the initial Performance Fee for a Share class) multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class.

For each subsequent Calculation Period for a Share Class, the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place
since the beginning of such Calculation Period.

The Performance Fee payable for a Calculation Period shall be equal to 17.5% for Class B Shares and 20% for Class A, Class P and Class I Shares of the amount by which the net asset value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period and remained unpaid at the end of Calculation Period.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class will be increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period. With regard to redemptions, the High Water Mark Net Asset Value for a Share Class is decreased by an amount equal to the percentage which such redemptions represent of the Net Asset Value of the Class on the relevant Dealing Day (i.e., if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, the High Water Mark Net Asset Value for a Share Class is increased by an amount equal to the value of the subscription.

For the purposes of the Performance Fee calculation, the Net Asset Value per Shares of the relevant Share Class shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the relevant High Water Mark Net Asset Value for the relevant Calculation Period. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee will be accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Share Class in question, and paid within 14 calendar days of the end of the relevant Calculation Period to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of relevant month when the Performance Fees has been crystallised. When a Performance Fee is crystallised on a redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee will be calculated by the Administrator and verified by the Depositary.

It should be noted that as the Net Asset Value may differ between Share Classes, separate Performance Fee calculations will be carried out for separate Share Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.

Risk Management, Administrator's and Depositary’s Fees

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the Net Asset Value of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provided by the Promoter.
Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

**On-going Charges and Expenses**

The additional charges and expenses specified in the section entitled *On-going Charges and Expenses* in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of their own fees.

**HOW TO SUBSCRIBE FOR SHARES**

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled *Applications for Shares* in the Prospectus.

**HOW TO REPURCHASE SHARES**

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled *Repurchase of Shares* in the Prospectus.

**HOW TO EXCHANGE SHARES**

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled *Exchange of Shares* in the Prospectus.

**Establishment Charges and Expenses**

The cost and expenses of establishing the Sub-Fund have been paid by Morgan Stanley & Co. International plc.

**Other Charges and Expenses**

Further details of the charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings *Management Charges and Expenses* and *General Charges and Expenses*. In addition, the Sub-Fund will bear any currency hedging costs, ongoing regulatory expenses, including, without limitation, the fees and expenses associated with any preparation and filings related to regulatory filings which seek information about the Sub-Fund (such as the SEC’s Form PF and the CFTC and NFA Form CPO-PQR), investment and/or trading related expenses, including, without limitation, subscriptions, investment and trading related software, including data processing and storage, software development and trade order management software (e.g., software used to route trade orders).
This Supplement contains specific information in relation to the Arno Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund will be managed by FundLogic SAS (the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure is obtained through financial derivative instruments. An investor should consider their investment decision carefully before allocating a substantial proportion of an investment portfolio to the Sub-Fund.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES .................................................................................. 384
2. INVESTMENT RESTRICTIONS ............................................................................................... 385
3. INFORMATION ON THE RATE ............................................................................................. 385
4. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS ...................................... 385
5. RISK MANAGER .................................................................................................................. 386
6. BORROWING AND LEVERAGE ............................................................................................ 386
7. SUB-CUSTODIAN .................................................................................................................. 386
8. SERVICE PROVIDER ............................................................................................................ 386
9. BORROWING AND LEVERAGE ............................................................................................ 387
10. RISK MANAGER .................................................................................................................. 387
11. RISK FACTORS ................................................................................................................... 387
12. DIVIDEND POLICY ............................................................................................................. 388
13. KEY INFORMATION FOR PURCHASING AND SELLING ...................................................... 388
14. CHARGES AND EXPENSES ............................................................................................... 389
15. HOW TO SUBSCRIBE FOR SHARES .................................................................................. 390
16. HOW TO REPURCHASE SHARES ....................................................................................... 390
17. HOW TO EXCHANGE SHARES ............................................................................................ 390
18. ESTABLISHMENT CHARGES AND EXPENSES ................................................................. 390
19. OTHER CHARGES AND EXPENSES .................................................................................... 390
1. INVESTMENT OBJECTIVE AND POLICIES

1.1. Investment Objective

The Sub-Fund’s investment objective is to replicate the performance of the 1-month Euribor® (the “Rate”), denominated in Euro (before deduction of all fees and expenses charged to, or incurred by, the Sub-Fund) without seeking any performance beyond the Rate.

1.2. Investment Policy

The Sub-Fund will purchase Financing Assets (as defined below) and transfer the economic interest in such Financing Assets to the Approved Counterparty (as defined below) through a financing swap as detailed below (the “Swap”). The net effect of the Swap will be to provide the Sub-Fund with the monetary return set out below in exchange for the Sub-Fund transferring its economic interest in the Financing Assets to the Approved Counterparty. It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Financing Assets other than in the event of a default by an Approved Counterparty under the terms of the Swap.

The monetary return of the Swap will be composed of the Rate plus or minus a spread (the “Spread”). While the investment objective of the Sub-Fund is to replicate the performance of the Rate, the monetary return of the Swap may be less or greater than the Rate depending on whether the Spread is positive or negative. The initial Spread will reflect the rate at which the Approved Counterparty is willing to effect the Swap based on the makeup of the Financing Assets and current market conditions. Thereafter the Spread will reflect the rate at which the Approved Counterparty is willing to continue to effect the Swap based on prevailing market conditions. The Spread will be disclosed every month in the Sub-Fund’s factsheet, which will be available on www.fundlogic.com.

“Financing Assets” will include equity securities or other securities with equity characteristics in which the Sub-Fund will take a long only position, including preferred stocks and depository receipts for such securities (American Depositary Receipts (ADRs) traded in the United States markets and Global Depositary Receipts (GDRs) traded in other world markets), listed or traded on Markets mentioned in Appendix II of the Prospectus and issued by companies worldwide.

The Sub-Fund will not have any particular geographical, sectoral or industry focus. Financing Assets will not be exposed to emerging markets by more than 20% of the Net Asset Value of the Sub-Fund.

The Financing Assets acquired will be those which, in the opinion of the Investment Manager, are suited for the purpose of meeting the investment objective of the Sub-Fund, i.e. the one that would be able to generate, via the Swap, a monetary return by providing to the Approved Counterparty the economic interest of the Financing Assets. The investments made will also be based on the Investment Manager’s assessment of the underlying liquidity of the Financing Assets. The Investment Manager will select Financing Assets that match the daily liquidity of the Sub-Fund.

The Approved Counterparty does not have discretion over the Financing Assets.

The Swap counterparties will be acceptable counterparties under the terms of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as may be amended or supplemented from time to time) (the “Central Bank UCITS Regulations”), and may include without limitation, Morgan Stanley or any of its affiliates or subsidiaries that is a UCITS eligible counterparty (the “Approved Counterparty”).

The Sub-Fund will be leveraged through the use of FDI. The Sub-Fund’s global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI, calculated using the commitment approach, must not exceed 100% of its Net Asset Value. Please see the section entitled Information on the Financial Derivative Instruments below, for further information on the FDI which the Sub-Fund may enter into subject to the requirements laid down by the Central Bank.

If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Sub-Fund will submit an updated risk management process to the Central Bank for clearance in accordance with the requirements of the Central Bank guidance “UCITS Financial Derivative Instruments and Efficient Portfolio Management” prior to the Sub-Fund engaging in using such FDIs.
The Sub-Fund may invest in ancillary liquid assets which may include bank deposits, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. Financing Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps</td>
<td>200%</td>
<td>210%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Repurchase Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>10%</td>
</tr>
</tbody>
</table>

The above shows the expected and maximum notional for the total return swaps.

1.3 Profile of a typical investor

Investment in the Sub-Fund is suitable for investors seeking to replicate the Rate and who are prepared to accept a negative return due to the risk of interest rates being negative. Shares in the Sub-Fund will be available to both retail and institutional investors.

2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3. INFORMATION ON THE RATE

Euribor® means the ‘Euro Interbank Offered Rate’ and is a rate which reflects the average one-month inter-bank money-market rate for the EMU zone.

The Rate is calculated each “Target Business Day” (ie, each day the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System is open) by the European Central Bank through consultation with a panel of 23 banks established in Europe as of December 2015, and published by the European Banking Federation. The fixing of the Rate is conducted each day at 11:00 CET and published after 12:00 CET.

The Rate represents the average inter-bank rate weighted by the volume of transactions conducted.

A full description of the Rate can be found on the website http://www.emmi-benchmarks.eu/.

The Rate’s Bloomberg Ticker is EUR001M Index.

4. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. The Sub-Fund will use total return swaps. A total return swap is a bilateral financial contract, which allows the party receiving the total return to enjoy all of the cash flow benefits of an asset without actually owning this asset. In return, the total return receiver must pay the owner of the asset a monetary return over the life of the swap.
5. **RATE SPONSOR**

The Rate Sponsor is the European Money Markets Institute.

6. **INVESTMENT MANAGER**

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France.

The Investment Manager is regulated by the Autorité des Marchés Financiers in France. As at 30 April 2017, FundLogic SAS had approximately $4.4 billion of assets under management.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an amendment to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010, as amended and as may be further amended (the “Agreement”).

Subject to controls imposed by the Directors under the Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager, its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Sub-Fund and/or the Fund.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 90 days’ prior written notice (or such other period as may be agreed between the parties).

7. **SUB-CUSTODIAN**

Pursuant to an agreement dated 24 October 2016 (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSI plc”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless the Sub-Custodian’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to the Depositary or any of its affiliates.

8. **SERVICE PROVIDER**

The Fund has appointed MSI plc (the “Service Provider”) to provide certain services (being the services set out in the paragraph immediately below) to the Fund as service provider pursuant to a services agreement dated 24 October 2016 (as amended and as may be further amended) in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Fund including the
provision to the Fund of settlement, clearing and foreign exchange facilities. The Service Provider does not have discretion over the Sub-Fund’s assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Sub-Fund.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

9. BORROWING AND LEVERAGE

The Sub-Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Fund may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will be leveraged through the use of FDI. The Sub-Fund’s global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its Net Asset Value.

10. RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), MSI plc (the “Promoter”) has agreed to provide certain sub-funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management process in respect of the Sub-Fund.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

11. RISK FACTORS

11.1 The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

11.2 The following additional risk factors also apply;

No Investment Guarantee

The Sub-Fund is not a money market fund and is primarily invested in equities whose performance is swapped for an interest rate return, therefore, there is no guarantee of a positive return for the Sub-Fund. The return of the Sub-Fund may be negative should the Rate become negative.

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI or repo that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund aims to mitigate its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a
reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

The restrictions on cash collateral as set out in the section entitled Efficient Portfolio Management in the Prospectus shall apply. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out in the section entitled Risk Factors in the Prospectus.

**Deposit Risk**

An investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

**Depositary/MSI plc Insolvency**

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors (“Insolvency”) of the Depositary and/or MSI plc in its capacity as sub-custodian. These risks include without limitation: the loss of all cash which the Depositary and/or MSI plc has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust which have not been properly segregated and so identified both at the level of the Depositary and/or MSI plc (“trust assets”) or client money held by or with the Depositary and/or MSI plc in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary and/or MSI plc; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

12. DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Class of Shares.

13. KEY INFORMATION FOR PURCHASING AND SELLING

**Base Currency**

Euro

**Classes of Shares**

Shares in the Sub-Fund will be available in the following Class:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares?</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Minimum Subsequent Subscription</th>
<th>Minimum Repurchase Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>No</td>
<td>€1000</td>
<td>€20,000</td>
<td>€1,000</td>
<td>€1,000</td>
</tr>
</tbody>
</table>

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period for the Class I EUR Shares**

The Initial Offer Period for the Class I EUR Shares will be from 9.00 am (Irish time) on 24 July 2017 until 5:00 pm (Irish time) on 23 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.
Dealing Day and Business Day

Every day (except a Saturday or Sunday, legal public holidays in France, the United Kingdom and Ireland) during which banks in Ireland, France and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight. The 24th and the 31st December are deemed public holidays for the purpose of this Supplement.

Dealing Deadline

3 pm Irish time on the Business Day immediately preceding the relevant Dealing Day.

The Directors may, in their discretion, in exceptional circumstances only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

Settlement Date

In the case of subscriptions and repurchases, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

Valuation Point

The close of business on the relevant Dealing Day of each market relevant to the assets and liabilities of the Sub-Fund.

14. CHARGES AND EXPENSES

Initial and Repurchase Charges

The Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the total purchase price of the Shares on that Dealing Day. No repurchase charge will be applied by the Sub-Fund in respect of its Shares.

Investment Management Charge

The Sub-Fund will pay up to 0.05% per annum in respect of the Class I EUR Shares to the Investment Manager from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to such Class of Shares, which is accrued daily and paid quarterly in arrears.

Promoter, Administrator's and Depositary's Fees

The Sub-Fund will pay to the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.25% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of any service provider to the Sub-Fund and in particular, the Administrator and Depositary which are not covered by the Investment Management Charge payable to the Investment Manager and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Ongoing Charges and Expenses
The additional fees specified in the section entitled **Ongoing Charges and Expenses** in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

15. **HOW TO SUBSCRIBE FOR SHARES**

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled **Applications for Shares** in the Prospectus.

16. **HOW TO REPURCHASE SHARES**

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled **Repurchase of Shares** in the Prospectus.

17. **HOW TO EXCHANGE SHARES**

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled **Exchange of Shares** in the Prospectus.

18. **ESTABLISHMENT CHARGES AND EXPENSES**

The cost and expenses of establishing the Sub-Fund were paid by the Distributor.

19. **OTHER CHARGES AND EXPENSES**

Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the headings **Management Charges and Expenses** and **General Charges and Expenses**.

20. **OTHER INFORMATION**

**Services Agreement**

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, willful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result, or in connection with, or arising out of the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, willful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute
collateral for the purposes of the rules of the Financial Conduct Authority (the “FCA”). Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Services Agreement, be client money for the purposes of the FCA rules and will therefore be subject to the client money protections conferred by the FCA rules.

Either party may terminate the Services Agreement by giving at least five Business Days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies, or the Fund to perform of any or all of its respective obligations thereunder.
This Supplement contains specific information in relation to the Equity Risk Managed Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund will be managed by Morgan Stanley Investment Management Limited (the “Investment Manager”). The Investment Manager has appointed Fundlogic SAS (the “Sub-Investment Manager”) to act as sub-investment manager to the Sub-Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017, as amended (the “Prospectus”).

The Sub-Fund’s principal economic exposure may be effected through financial derivative instruments.

An investor should consider their investment decision carefully before allocating a substantial proportion of an investment portfolio to the Sub-Fund.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES ................................................................. 394
2. INVESTMENT RESTRICTIONS .................................................................................... 397
3. INVESTMENT MANAGER ......................................................................................... 397
4. SUB-INVESTMENT MANAGER ................................................................................. 398
5. SUB-CUSTODIAN ....................................................................................................... 398
6. SERVICE PROVIDER ................................................................................................ 399
7. RISK MANAGER ....................................................................................................... 399
8. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN SUB-FUND .. 400
9. APPROVED COUNTERPARTIES .............................................................................. 400
10. BORROWING AND LEVERAGE .............................................................................. 401
11. RISK FACTORS ...................................................................................................... 401
12. DIVIDEND POLICY ................................................................................................. 403
13. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ..................... 403
14. CHARGES AND EXPENSES .................................................................................. 405
15. HOW TO SUBSCRIBE FOR SHARES .................................................................... 406
16. HOW TO SELL SHARES ......................................................................................... 407
17. HOW TO EXCHANGE SHARES .............................................................................. 407
18. ESTABLISHMENT CHARGES AND EXPENSES .................................................... 407
19. OTHER CHARGES AND EXPENSES ..................................................................... 407
20. OTHER INFORMATION ............................................................................................ 407
Investment Objective and Policies

30.20 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with medium to long term capital growth, by taking exposure to a long only equity factors portfolio, while aiming to partially protect the Sub-Fund’s value using an option hedging strategy, as described in Section 1.2 below.

30.21 Investment Policy

The Sub-Fund takes investment exposure (through total return swaps as further described below) to a portfolio of equity and equity related securities including, without limitation, (a) common stock, (b) preferred stock, (c) rights, (d) American Depository Receipts and e) Global Depository Receipts listed or traded on the Markets referred to in Appendix II of the Prospectus and/or UCITS eligible equity indices providing exposure to such securities (the "Investment Portfolio") and cash (together, the "Portfolio Strategy").

The Investment Manager shall determine the composition of the Investment Portfolio on a discretionary basis, without any sector or geographical focus. The equity and equity related securities or indices within the Investment Portfolio are selected by the Investment Manager by following an equity factor-based investment strategy. The strategy selects equities through application of certain equity factors, such as:

1. Value (investing in equities and equity related securities that are undervalued with respect to other securities based on certain valuation metrics which include price to earnings and price to book ratios);

2. Momentum (investing in equities and equity related securities that have outperformed the broader market in the past and are expected to continue to outperform the broader market in the near future);

3. Low volatility (investment in equities and equity related securities with low historical volatility); and

4. Size (investment in mid or small capitalisation equities and equity related securities).

Within the strategy, the Investment Manager may, at its discretion, utilise additional equity factors as it deems appropriate for the achievement of the investment objective.

Whilst the Sub-Fund has the ability to invest in various equity and equity related securities, it is expected that the Investment Portfolio will consist predominantly of exposure to one or more UCITS eligible indices at launch, and for an undetermined period thereafter.

The Investment Portfolio will have only long exposure.

The Investment Manager rebalances the exposure between the Investment Portfolio and cash within the Portfolio Strategy in order to control the volatility of the Portfolio Strategy. This will be achieved by reducing the allocation to the Investment Portfolio if and when the realised volatility of the Investment Portfolio, as observed for certain periods, increases. As the realised volatility of the Investment Portfolio increases, the exposure to the Investment Portfolio will be adjusted downwards to a minimum of 0% and the corresponding exposure to cash will be adjusted upwards to a maximum of 100%, such that the anticipated realised volatility of the Portfolio Strategy within the observed periods is consistent with the volatility budget. The volatility budget (i.e. the
maximum targeted level of annualised change in value of the Portfolio Strategy) is 10% (being a positive or negative change in value).

The Sub-Fund will also implement a risk mitigation mechanism (the “Option Hedging Strategy”) (through total return swaps as further described below) through which it will:

(a) purchase put options that partially protect the Portfolio Strategy return (in the event of downward movement of the Portfolio Strategy the put options which the Sub-Fund holds can be used to mitigate losses). The put options will have a strike level which is 90% of the prevailing level of the Portfolio Strategy. The purchaser of a put option has the right to sell the underlying reference asset at the specified strike at the end of the term of the option and as such these put options will protect the Sub-Fund against downward movement in the Portfolio Strategy below the strike level; and

(b) Sell call options on the value of the Portfolio Strategy (in return for the payment of a premium as further disclosed below) in order to generate income. The premiums received pursuant to the sale of the call options will be utilised to pay the premiums (in full or in part) required to acquire the put options referenced above and any surplus will be used to generate returns for the Sub-Fund.

The protection obtained through the Option Hedging Strategy may be variable and can change over time.

The premia payable for the put options and received for the call options will be at normal commercial rates.

At inception of the Sub-Fund, the initial term of put options to be purchased and call options to be sold will be determined by the Investment Manager. After the inception date, the Option Hedging Strategy will be implemented by the Investment Manager with the aim of maintaining the following guidelines, specifically:

**Put Option Purchase:**

- each put option will be automatically replaced by a new 12 month put option when it expires or is sold, which is expected to be as frequently as weekly
- when a new put option is purchased it will have a 12-month maturity
- each put option will be purchased with a strike level which is 90% of the prevailing level of the Portfolio Strategy
- at maturity each put option pays the difference between the strike level and the Portfolio Strategy level
- the purchase of put options will provide for an effective transfer of part of the Sub-Fund’s downside exposure to the Portfolio Strategy to the seller of the put options.

**Call Options Sale:**

- when a new call option is sold it will have a 4-week maturity
- each call option will be sold with a strike level which is 104% of the prevailing level of the Portfolio Strategy
- each call option will be fully ‘covered’ i.e. the Sub-Fund will aim to hold 100% exposure to the Portfolio Strategy to pay any amounts due under the call option in the event that the level of the Portfolio Strategy exceeds the strike price. The notional of the call options sold will never exceed the notional exposure that the Sub-Fund has to the Portfolio Strategy.

- each call option pays the difference between the Portfolio Strategy level and strike level at its maturity. Such sale of call options means that the Sub-Fund will not participate in upside over 104% of the Portfolio Strategy over the term of the call option, for the relevant notional.

The Sub-Fund will gain exposure to the Portfolio Strategy and the Option Hedging Strategy through one or more unfunded total return swaps with an Approved Counterparty (collectively, the “Portfolio Swap”) and for the purpose of efficient portfolio management will utilise a Financing Swap (as defined below).

Although it is intended to implement the Sub-Fund exposure to the Investment Portfolio through total return swaps, in the event that a counterparty cannot be obtained, the Investment Manager may invest directly in the Investment Portfolio and the Option Hedging Strategy (in the case of the Option Hedging Strategy using an alternative counterparty on the same terms as those outlined above).

The Portfolio Swap

The Portfolio Swap will give the Sub-Fund economic exposure to the returns of the Portfolio Strategy and Option Hedging Strategy in exchange for a floating rate of return (i.e. a market rate of return agreed with an Approved Counterparty from time to time that will be received by the Sub-Fund through the Financing Swap as described below) being paid by the Sub-Fund.

The Financing Swap

The Sub-Fund will purchase Financing Assets (as detailed below) and transfer the full economic interest in such assets to an Approved Counterparty pursuant to swap agreements (the “Financing Swap”) in exchange for a floating rate of return (i.e. a market rate of return agreed with the Approved Counterparty from time to time) being received by the Sub-Fund.

“Financing Assets” will include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Portfolio Strategy. They may also include (without aggregate limits) UCITS-eligible regulated investment funds (including money market funds and ETFs) domiciled in the EEA, Jersey, Guernsey, the Isle of Man, or the United States, with a maximum management fee of 5% of any such fund’s net assets. Such investment funds will be UCITS funds or alternative investment funds (“AIFs”) which are equivalent to UCITS, which will deliver exposure to the asset classes of fixed income, equities, foreign exchange and alternative assets (without any minimum or maximum allocation limits for each asset class). The Financing Assets acquired will be those which, in the opinion of the Sub-Investment Manager, are suited for the purpose of meeting the investment objective of the Sub-Fund, based on its assessment of the underlying liquidity of the securities, where it will select securities that match the daily liquidity of the Sub-Fund.

Financing Assets will not have exposure to emerging markets.
The Approved Counterparty (as defined below) does not have discretion over the selection, purchase or sale of, or the exercise of any rights relating to, the Financing Assets.

Financing Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Portfolio Swap and the Financing Swap (the “Swaps”) will not be listed or traded as they are permitted unlisted investments.

The Sub-Fund’s exposure to the Approved Counterparties will be managed in one or more ways including through collateral provided to the Sub-Fund by the Approved Counterparties, or a re-set of the counterparty exposure in accordance with the requirements of the Central Bank.

As described above, the Sub-Fund expects to enter into FDI (Financial Derivatives Instruments) transactions in order to achieve its investment objective. The Sub-Fund may utilise swaps, options and forward currency exchange contracts and currency index forwards. The Sub-Fund may also invest in FDI transactions for efficient portfolio management purposes. For example: (i) equity swaps may be utilised for efficient cash management; (ii) options may be utilised to hedge out the risk associated with movements in the Portfolio Strategy; and (iii) forward currency exchange contracts and currency index forwards (as described in further detail below) may be used in order to hedge currency risk. FDI’s may be exchange traded or over-the-counter. Please see the section entitled “Information on Financial Derivative Instruments Within Sub-Fund” herein for more detail in respect of such FDI.

The performance of the Sub-Fund will primarily be determined by the performance of the Portfolio Swap. It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Financing Assets other than in the event of a default by the Approved Counterparty under the terms of the Financing Swap.

30.22 Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a medium-term appreciation of capital, with the potential for a longer-term investment horizon.

2 Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with, or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 Investment Manager

The Investment Manager for the Sub-Fund is Morgan Stanley Investment Management Limited. The Investment Manager is incorporated in England with a registered office at 25 Cabot Square, London E14 4QA.

The Investment Manager is regulated by the Financial Conduct Authority in the United Kingdom.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.
The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Fund and the Investment Manager dated 30 March 2017, as may be amended from time to time (the “Agreement”).

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees, agents and delegates.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than three months’ prior written notice (or such other period as may be agreed between the parties).

4 Sub-Investment Manager

The Investment Manager has appointed FundLogic SAS as the Sub-Investment Manager, pursuant to the sub-investment management agreement between the Investment Manager, and the Sub-Investment Manager dated 30 March 2017, as amended from time to time (the “Sub-Investment Management Agreement”), to provide the Investment Manager with discretionary investment management services in relation to the Financing Assets.

The Sub-Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France.

The Sub-Investment Manager is regulated by the Autorité des Marchés Financiers in France. As at 28 February 2017, FundLogic SAS had approximately $ 3.6 billion of assets under management.

The Sub-Investment Manager shall be responsible for loss to the Investment Manager, to the extent such loss is due, inter alia, to, wilful default, wilful misfeasance, fraud, bad faith, negligence or material breach by the Sub-Investment Manager by itself, its directors, officers, servants, employees, agents and delegates of the Sub-Investment Manager.

The Sub-Investment Management Agreement may be terminated by either, the Investment Manager or the Sub-Investment Manager on giving not less than three months’ prior written notice (or such other period as may be agreed between the parties) to the other party.

5 Sub-Custodian

Pursuant to an agreement dated 30 March 2017 (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSIP”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSIP may in such capacity hold certain assets of the Sub-Fund from time to time. MSIP is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the Services Agreement (as defined below) is not terminated, with MSIP’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSIP. The Sub-Custody Agreement provides that MSIP shall indemnify the Depositary for certain losses unless MSIP’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSIP, the consequences of which would have been unavoidable despite
all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSIP of the safekeeping of assets to the any of the Depositary's affiliates.

6 Service Provider

The Fund has appointed MSIP (the “Service Provider”) to provide certain services (being the services set out in the paragraph immediately below) to the Sub-Fund as Service Provider pursuant to a Services Agreement dated 30 March 2017 in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Sub-Fund including the provision to the Sub-Fund of settlement, clearing and foreign exchange facilities (facilities to hold foreign exchange or to convert currencies). The Service Provider does not have discretion over the Sub-Fund’s assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Sub-Fund on an arm’s length basis and at normal market rates.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

7 Risk Manager

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), MSIP (the “Promoter”) has agreed to provide certain sub-funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds. Any costs or fees associated with this will be paid from the Charges and Expenses as described in Section 14 below.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated in accordance with its terms. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time.
Information on Financial Derivative Instruments Within Sub-Fund

The following types of Financial Derivative Instruments may be used within the Sub-Fund to provide exposure to equity and cash assets as set out in more detail in Section 1.2 "Investment Policy" above.

**Swaps.** These include total return swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of swaps can be single name securities, indexes or custom baskets of securities. See Section 9 below for further details.

**Options.** Options may be exchange traded or traded over-the-counter options and may have single name securities, indexes or custom baskets of securities as underlying reference assets. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference assets at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.

**Forward Currency Exchange Contracts.** A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. Forward currency exchange contracts may be used to hedge the currency risk. The Sub-Fund or Portfolio Strategy may employ UCITS eligible indices that are comprised of forward or futures currency exchange contracts.

**Futures.** The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. Futures can be cash settled as well as physically settled. The Sub-Fund or Portfolio Strategy may utilize currency futures to hedge the currency risk.

Further, the Sub-Fund's exposure to securities financing transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>200%</td>
<td>425%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreements</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Approved Counterparties**

The approved counterparties as at the date of this document for all off exchange derivatives are Morgan Stanley and any of its affiliate or subsidiaries that is a UCITS eligible counterparty (the "Approved Counterparty"). The Approved Counterparties do not have any discretion over the Sub-Fund’s assets.
The Investment Manager may from time to time, in its sole discretion, approve additional UCITS eligible counterparties. Any such additional counterparties will be disclosed in the annual report in respect of the Sub-Fund.

10 Borrowing and Leverage

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes and cannot be for the purpose of investments.

In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99%, a holding period of 20 days and a historical observation period of at least one year. The absolute VaR of the Sub-Fund will be calculated daily. The Sub-Fund may be leveraged through the use of FDI, including through the Portfolio Swap which provides exposure to the Portfolio Strategy and Option Hedging Strategy. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions (including leverage inherent in the Portfolio Strategy) is expected to be between 400% and 425% of the Net Asset Value of the Sub-Fund.

11 Risk Factors

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI or repo that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Company maintains an active oversight of counterparty exposure in line with Regulations and the collateral management process in respect of the Sub-Fund.

The restrictions on cash collateral as set out in the section entitled Efficient Portfolio Management in the Prospectus shall apply. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out in the section entitled Risk Factors in the Prospectus.

Counterparty Replacement Risk

The Sub-Fund will take exposure to the Portfolio Strategy via a swap. This swap is customised and gaining this exposure via a swap is dependent on the availability of a counterparty. The Sub-Fund intends to use an Approved Counterparty, as a counterparty to the swap, however, if the Approved Counterparty is unable to continue as counterparty to the swap, the Sub-Fund will need to find an alternative counterparty for an equivalent swap. If the Sub-Fund is unable to source an alternative counterparty it may seek to implement the Portfolio Strategy directly but this may mean that the Sub-Fund is unable to implement its investment strategy fully.
Low Exposure to Portfolio Strategy

As explained in the section headed “Investment Policy” above, if the realised volatility of the Investment Portfolio exceeds 10% there is a risk that there will be low or even no exposure to the Portfolio Strategy for certain periods. In this case, Shareholders will be exposed to overnight interest rates which might be negative.

Performance Impact of Selling Call Options

The sale of call options within the Option Hedging Strategy will cap the performance of the Portfolio Strategy at 104% of the prevailing level of the Portfolio Strategy from the strike date until the expiry of the call option. As such the Sub-Fund’s participation in the Portfolio Strategy upside will be limited. This may result in the Sub-Fund underperforming the Portfolio Strategy.

Partial Protection of NAV

Whilst the Sub-Fund will implement the Option Hedging Strategy with the aim of protecting a proportion of the Portfolio Strategy in the event of material falls in the value of the Portfolio Strategy, this protection only partially protects the Sub-Fund’s NAV and is reliant on the solvency of the counterparty to the Portfolio Swap.

Currency Risk

The Sub-Fund’s performance may be influenced by movements in currency exchange rates because the Investment Portfolio may hold securities positions that are not denominated in the Base Currency of the Sub-Fund.

The Base Currency of the Sub-Fund is Euro. Shareholders may subscribe in USD, Euro, Pound Sterling, or into the USD, EUR or GBP denominated Share classes respectively.

The EUR and GBP denominated Shares are Hedged Share Classes. To the extent that Share class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund’s underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated.

Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share classes.

Depending on a Shareholder’s currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

Active Management Risk

The Investment Manager decides the composition of the Portfolio Strategy and so the success of the Sub-Fund depends, among other things, upon the ability of the Investment Manager to manage the asset allocation within the Portfolio Strategy. No assurance can be given that the Investment Manager will be successful in managing the Portfolio Strategy. Moreover, decisions made by the Investment Manager may cause the Sub-Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Additionally, the management of the Portfolio Strategy will result in brokerage and other transaction costs to which the Sub-Fund will be indirectly exposed. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Sub-Fund, nor an opportunity to evaluate the determination of (and any changes to) the specific strategies used, or investments made, by the Investment Manager within the Portfolio Strategy or the terms of any such investment.
Deposit Risk

An investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.


The Sub-Fund invests in derivatives, the valuation of which depends on multiple market parameters. Thus, Shareholders will not be able to derive the Net Asset Value of the Sub-Fund from an increase of the level of the Portfolio Strategy alone.

Depositary/MSIP Insolvency

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the Depositary and/or MSIP in its capacity as sub-custodian. These risks include without limitation: the loss of all cash which the Depositary and/or MSIP has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust which have not been properly segregated and so identified both at the level of the Depositary and/or MSIP ("trust assets") or client money held by or with the Depositary and/or MSIP in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary and/or MSIP; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

12 Dividend Policy

It is not the intention of the Directors to declare a dividend in respect of any Share class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant class of Shares.

13 Key Information for Purchases and Sales of Shares

Base Currency

EUR

Classes of Shares

Shares in the Sub-Fund will be available in the following classes:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>USD United States</td>
<td>Yes</td>
<td>$100</td>
<td>$20,000</td>
<td>$10,000</td>
<td>100</td>
</tr>
<tr>
<td>Shares</td>
<td>Dollars</td>
<td>Euros</td>
<td>No</td>
<td>€100</td>
<td>€20,000</td>
<td>€10,000</td>
</tr>
<tr>
<td>---------------</td>
<td>------------------</td>
<td>-------</td>
<td>-----</td>
<td>------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>Euros</td>
<td>No</td>
<td>€100</td>
<td>€20,000</td>
<td>€10,000</td>
<td>100</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>United Kingdom Pounds</td>
<td>Yes</td>
<td>£100</td>
<td>£20,000</td>
<td>£10,000</td>
<td>100</td>
</tr>
<tr>
<td>Class E USD Shares</td>
<td>United States Dollars</td>
<td>Yes</td>
<td>$100</td>
<td>$200,000</td>
<td>$100,000</td>
<td>1000</td>
</tr>
<tr>
<td>Class E EUR Shares</td>
<td>Euros</td>
<td>No</td>
<td>€100</td>
<td>€200,000</td>
<td>€100,000</td>
<td>1000</td>
</tr>
<tr>
<td>Class E GBP Shares</td>
<td>United Kingdom Pounds</td>
<td>Yes</td>
<td>£100</td>
<td>£200,000</td>
<td>£100,000</td>
<td>1000</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

Class E USD, Class E EUR and Class E GBP Shares (the “Class E Shares”) are only available to the Investment Manager and its affiliates (whether for themselves or on behalf of their clients, including funds managed by them) or, at the discretion of the Investment Manager and its affiliates, their clients directly. Investors in Class E Shares will agree separate fee arrangements with the Investment Manager.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period**

The Initial Offer Period for Class E USD, EUR and GBP Shares was from 9.00 am (Irish time) on 31 March 2017 until 5:30 pm (Irish time) on 29 September 2017 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Class A USD, EUR and GBP Shares (the “Class A Shares”) are available at their Net Asset Value on each Dealing Day.

**Initial Investment Period**

Following the close of the Initial Offer Period, the Sub-Fund may initially invest its assets solely in bank deposits and/or Financing Assets in order to enter into the Financing Swap pending its investment in the Portfolio Strategy. During such period, which is not expected to exceed three
months from the date of close of Initial Offer Period (the “Initial Investment Period”), the Sub-Fund will not be exposed to the Portfolio Strategy.

**Business Day**

Every day (except legal public holidays in London, Paris or Dublin or days on which the stock markets in New York, Paris, Chicago, Dublin and/or in London are closed) during which banks in Paris, Dublin and London are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders. The 24th and the 31st December are deemed public holidays for the purpose of this Supplement.

**Dealing Day**

Every Business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

11 AM Irish time 1 Business Day prior to the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

**Settlement Date**

In the case of subscriptions, by 12 Noon Irish time, 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

Close of business on the relevant Dealing Day.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

**Charges and Expenses**

**Redemption in Specie**

The provisions of the section of the Prospectus entitled Repurchase of Shares in respect of the ability of the Directors to satisfy a repurchase request in whole or in part by an in-kind distribution of securities of the relevant Sub-Fund in lieu of cash with or without consent of the Shareholder shall not apply to the Sub-Fund.
Management Charge

The Fund will pay to the Investment Manager (a) in the case of Class A Shares up to 0.4% per annum from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to the relevant Share Class, which is accrued daily and paid quarterly in arrears. The Investment Manager will pay in the case of the Class A Shares, or procure to be paid, up to 0.15% per annum to the Sub-Investment Manager from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to the relevant Share Class, which is accrued daily and paid quarterly in arrears. The Investment Manager may request that the Fund pays the fees of the Sub-Investment Manager direct to the Sub-Investment Manager on the Investment Manager’s behalf, in which case such fees will be deducted from the management fee due to the Investment Manager. No management fee is payable in respect of the Class E Shares.

Risk Management, Distribution, Administrator's and Depositary's Fees

The Fund will pay to the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.10% per annum of the net assets of the Sub-Fund and will be accrued daily and paid quarterly in arrears.

The Promoter will, inter alia, pay the fees and expenses of any service provider to the Sub-Fund and in particular, the Administrator and Depositary which are not covered by the management charge payable to the Investment Manager and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Initial, Exchange and Repurchase Charges

The Sub-Fund will not impose an anti-dilution levy or initial, exchange or redemption charge on subscriptions.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

How to Subscribe for Shares

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

The Directors reserve the right to reject in whole or part any subscription at their sole discretion, but in particular may do so where the relevant Approved Counterparty is unwilling to agree to an equivalent increase in the notional of the Portfolio Total Return Swap.
16 **How to Sell Shares**
Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled **Repurchase of Shares** in the Prospectus.

17 **How to Exchange Shares**
The provisions of the section of the Prospectus entitled **Exchange of Shares** in respect of the ability to proceed to exchange of shares shall not apply to the Sub-Fund.

18 **Establishment Charges and Expenses**
The cost and expenses of establishing the Sub-Fund will be paid by the Promoter.

19 **Other Charges and Expenses**
Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings **Management Charges and Expenses** and **General Charges and Expenses**.

20 **Other Information**

**Services Agreement**
Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, wilful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result of, or in connection with, or arising out of, the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, wilful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute
collateral for the purposes of the rules of the Financial Conduct Authority (the “FCA”). Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Agreement, be client money for the purposes of the FCA Rules and will therefore be subject to the client money protections conferred by the FCA Rules.

Either party may terminate the Services Agreement by giving at least five business days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies or the Fund to perform of any or all of its respective obligations thereunder.
This Supplement contains specific information in relation to the CZ Absolute Alpha UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund will be managed by CZ Capital LLP (the “Investment Manager”). This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

A significant amount of the Sub-Fund’s economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled “Directors of the Fund” in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
| 1 | INVESTMENT OBJECTIVE AND POLICIES .......................................................... | 411 |
| 2 | INVESTMENT RESTRICTIONS ............................................................................. | 412 |
| 3 | INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS ................................ | 412 |
| 4 | INVESTMENT MANAGER .................................................................................. | 414 |
| 5 | RISK MANAGER ............................................................................................... | 414 |
| 6 | BORROWING AND LEVERAGE ......................................................................... | 415 |
| 7 | SUB-CUSTODIAN ............................................................................................. | 415 |
| 8 | SERVICE PROVIDER ......................................................................................... | 415 |
| 9 | RISK FACTORS ............................................................................................... | 416 |
| 10 | DIVIDEND POLICY .......................................................................................... | 420 |
| 11 | KEY INFORMATION FOR PURCHASING AND SELLING ....................................... | 420 |
| 12 | CHARGES AND EXPENSES ........................................................................... | 423 |
| 13 | HOW TO SUBSCRIBE FOR SHARES ................................................................ | 425 |
| 14 | HOW TO REPURCHASE SHARES ..................................................................... | 425 |
| 15 | HOW TO EXCHANGE SHARES ........................................................................ | 425 |
| 16 | ESTABLISHMENT CHARGES AND EXPENSES .................................................. | 425 |
| 17 | OTHER CHARGES AND EXPENSES .................................................................. | 425 |
| 18 | SERVICES AGREEMENT .................................................................................. | 426 |
1 Investment Objective and Policies

1.1 Investment Objective

The Sub-Fund's investment objective is to achieve a positive risk-adjusted return by investing in a broadly market neutral portfolio of long and short positions with primary focus on equities listed in the United Kingdom, and to a lesser extent equities listed in Ireland.

1.2 Investment Policy

The Sub-Fund will seek to achieve its investment objective by investing primarily (on a long and short basis) in one or more of the following asset classes: (i) equities; (ii) equity related securities, including, without limitation, (a) common and preferred stock (b) rights and (c) Global Depositary Receipts ("GDRs") listed or traded on the Markets globally as referred to in Appendix II of the Prospectus with a primary focus on equities and equity related securities of companies listed in the United Kingdom. The Sub-Fund does not have any specific industry or sector focus.

The Sub-Fund will also invest in financial derivative instruments ("FDI") including exchange-traded derivatives (as described in more detail under "Information on Financial Derivative Instruments" below), OTC swaps (as detailed in the “Swaps” section below), options on equities and / or equity related securities, forwards, futures on equities and / or equity related securities, and contracts for differences on equities and / or equity related securities listed or traded on the Markets globally referred to in Appendix II of the Prospectus. Moreover, the Sub-Fund may invest in exchange traded funds ("ETFs"), for investment and/or hedging purposes, subject to the overall limit on investment in collective investment schemes set out below. ETFs may be used for hedging purposes by taking synthetic short positions in index or sector ETFs to hedge the market / industry risk in individual stock positions.

The Sub-Fund will not invest in securities listed in emerging markets.

The Sub-Fund may employ long (both direct and synthetic) and synthetic short positions. The Sub-Fund will not take physical short positions. Synthetic positions are established through the use of FDI (as detailed below). The Sub-Fund may, following an analysis set out under “Investment Process” below, take short positions in respect of stocks which it believes are overvalued by the marketplace. The Sub-Fund may, subject to the requirements laid forth by the Central Bank, enter into exchange traded and over-the-counter FDI transactions for investment and hedging purposes. The Sub-Fund may utilize equity and equity index options for both investment and hedging purposes.

FDIs will include swaps, options, futures and options on futures, contracts for differences (CFD) and forward currency exchange contracts. For example: (i) equity swaps and CFDs may be utilised for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options (in respect of indices which are UCITS eligible) may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) index futures on broad based indices (which are UCITS eligible), such as the FTSE 100 Index, which may be utilised in order to hedge the market portion of the portfolio from movements in the general equity market or for investment purposes; and (iv) options on futures may be utilised to quantify the potential loss from a contract expiring in a loss position or for investment purposes.

In addition, for example, FDI may be used to seek to hedge against the risk of adverse currency movements between the Hedged Share Classes as described under Classes of Shares below. For further information on the types of FDIs that the Sub-Fund may enter into please see the section entitled Information on the Financial Derivative Instruments below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance entitled UCITS Financial Derivative Instruments and Efficient Portfolio Management for clearance prior to the Sub-Fund engaging in using such FDIs. See the section “Information on Financial Derivative Instruments” below for a description of the FDI which may be employed.
The ratio of long and synthetic short investments in equities and equity related securities may vary through time. The net market exposure of the Sub-Fund will generally be between -30% and +30% of the Net Asset Value of the Sub-Fund. However, the movements in underlying investments may result in deviation from these thresholds and it might not always be feasible to adjust the portfolio to stay within these thresholds. The long exposure to equities and equity related securities will generally be between 50% and 150% of the Net Asset Value of the Sub-Fund and short exposure to equities and equity related securities will generally be between 50% and 150% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may invest up to 10% of its Net Asset Value in collective investment schemes. Such collective investment schemes will be domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States and will be UCITS funds or alternative investment funds which are equivalent to UCITS.

Further, the Sub-Fund may also hold, for the purpose of efficient portfolio management, ancillary liquid assets, which may include bank deposits, certificates of deposit, fixed or floating rate instruments, government securities, commercial paper, floating rate notes and freely transferable promissory notes. The fixed income securities in which the Sub-Fund may invest will be rated at or above investment grade and may be unrated and be either fixed or floating and government or corporate. Fixed income securities will be deemed to be investment grade, if they have a rating BBB- and/or above by Standard & Poor's, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be above investment grade by the Investment Managers. The Sub-Fund will not invest in below investment grade fixed income securities.

The investments of the Sub-Fund (other than permitted unlisted investments) will be listed or traded on the markets referred to in Appendix II of the Prospectus.

The counterparties to all derivative transactions, which may or may not be related to the Company, Investment Manager or Depositary, will be entities with legal personality typically located in OECD jurisdictions subject to prudential supervision and belonging to categories permitted by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as may be amended or supplemented from time to time) and will not have discretion over the assets of the Sub-Fund. A credit assessment will be undertaken with respect to each counterparty and where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken.

Investment Process

The investment strategy is to construct a portfolio of long and short positions in companies listed on the London and Irish stock exchanges, selected by fundamental research and valuation-based analysis, on a broadly market neutral basis (i.e. net market exposure between -30% and +30% of the Net Asset Value of the Sub-Fund).

Investment ideas are generated through a variety of sources including proprietary research, quantitative screening, meetings with management and corporate activity. The proprietary research process marries strong fundamental analysis, focused on cash returns, with a deep understanding of ‘soft’ factors such as corporate culture (ESG – environmental, social and governance factors), company management and the quality of accounts. The investment team within the Investment Manager believes that its emphasis on soft factors is a key differentiator in its approach and is expected to help in alpha generation particularly for the short positions. Investments are made with a long-term investment horizon and position sizes are adjusted in response to price movements and overall portfolio risk. Based on the above, the Investment Manager will then select long positions which are expected to increase in value and short positions which are expected to decrease in value.

The portfolio is constructed to be broadly neutral to the UK and Irish equity markets and so net exposure to the UK and Irish markets is generally low, with the risks of the portfolio coming from the individual long and short positions which are selected.

Profile of a Typical Investor

An investment in the Sub-Fund is suitable for investors seeking long to medium term appreciation of capital. Shares in the Sub-Fund are available to both individual and institutional investors.
Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body and section 13.1 of the Prospectus shall not apply in respect of this Sub-Fund.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include total return swaps and CFD. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of the total return swaps can be single name equity or equity securities, indices or custom baskets of equity securities or currencies. A CFD is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. The counterparties to swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund.

Options. The Sub-Fund may also enter into exchange-traded options and options traded over-the-counter (or OTC options) on equity and equity indices. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

Futures and Options on Futures. The Sub-Fund may also enter into futures and options on futures on equity and equity indices. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. Forward currency exchange contracts may be used for Share class hedging purposes. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Further, the Sub-Fund's exposure to securities financing transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps / Margin Finance</td>
<td>180%</td>
<td>375%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4 Investment manager

The Fund has appointed CZ Capital LLP, a limited liability partnership incorporated in England and Wales on 7 November 2005 (the “Investment Manager”) as the investment manager of the Sub-Fund. The Investment Manager is authorised and regulated by the Financial Conduct Authority (the “FCA”) and is registered as an investment adviser with the United States Securities and Exchange Commission (SEC). The Investment Manager has its principal offices at 53-54 Grosvenor Street, London, W1K 3HU, United Kingdom and manages approximately $330 million of assets as at January 2017.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager dated 18 May 2017 in relation to the Sub-Fund, as may be amended from time to time (the “Agreement”), all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Fund shall indemnify and keep indemnified and hold harmless the Investment Manager, any direct or indirect parent of the Investment Manager or any of its employees (collectively, “Indemnified Parties”) from and against any and all actions, suits, proceedings, claims, assessments, demands, losses, damages, liabilities, costs and expenses directly or indirectly suffered or incurred by the Investment Manager as a consequence of (i) any action or inaction of an Indemnified Party under the Agreement, including, without limitation, any judgment, settlement, reasonable attorneys’ fees and other costs or expenses incurred in connection with the defence of any actual or threatened action or proceeding, save those arising from the Investment Manager’s negligence (whether through an act or omission), wilful default or fraud.

Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 90 days’ prior written notice (or such other period as may be agreed between the parties). In addition, the Agreement may be terminated at any time in the circumstances set out in the Agreement.

5 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not
less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

6 Borrowing and leverage

The Fund may directly borrow money in an amount up to 10% of its Net Asset Value at any time for the account of the Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years.

As outlined above, the long exposure to equities and equity related securities will generally be between 50% and 150% of the Net Asset Value of the Sub-Fund and short exposure to equities and equity related securities will generally be between 50% and 150% of the Net Asset Value of the Sub-Fund. Therefore the Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 100% and 300% of the Net Asset Value of the Sub-Fund and is not expected to exceed 375% of the Net Asset Value of the Sub-Fund.

7 SUB-CUSTODIAN

Pursuant to an agreement dated 18 May 2017, as may be amended from time to time (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSI plc”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the FCA in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless MSI plc’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to Depositary or any of its affiliates.

8 SERVICE PROVIDER

The Fund has appointed MSI plc (the “Service Provider”) to provide certain services (being the services set out in the paragraph immediately below) to the Fund as Service Provider pursuant to a services agreement dated 18 May 2017 in respect of the Sub-Fund, as may be amended from time to time (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) agree to provide certain services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities. The Service Provider does not have discretion over the Sub-Fund’s assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Sub-Fund, such as settlements, fx transactions, cash equity transactions and financial derivative
transactions.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

9 Risk Factors

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

No Operating History

The Sub-Fund is new and thus has no operating history. Past performance of the Investment Manager or its employees and affiliates is not indicative of the future performance of the Sub-Fund.

Equity Investment Risk

The Sub-Fund will purchase equity securities and hence is subject to the risk that stock prices will fall over short or extended periods of time. The Sub-Fund will also sell equity securities short using CFDs and hence is subject to the risk that stock prices will rise over short or extended periods of time. Investors can potentially lose all, or a substantial portion, of their investment in the Sub-Fund.

Dependence on Key Individuals

The success of the Sub-Fund depends heavily on the services of certain individuals within the Investment Manager. Should such individuals be unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

Currency Risk

The Base Currency of the Sub-Fund is Great British Pound Shareholders may subscribe in Swiss Franc, Great British Pound, US Dollars, Swedish Krona or Euros into the CHF, GBP, USD, SEK and EUR denominated Share classes respectively.

The CHF, SEK, USD and EUR denominated Shares are Hedged Share Classes. Shareholders in the Hedged Share Classes are urged to read the risk factor in the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share classes.

Investment in Cyclicals and High Growth Sectors

Certain of the companies in which the Sub-Fund may invest may belong to high growth sectors (e.g., technology, communications and healthcare) and cyclical sectors. The long positions in securities of such companies may experience above-average losses in periods of economic downturns and may have high company specific risk. Such securities can be highly susceptible to market downturn and may be more volatile than the market.

Market Capitalization Risk

The Sub-Fund may invest in the stocks of companies having smaller market capitalizations, including mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.

Initial Public Offerings
The Sub-Fund may invest in initial public offerings ("IPOs"). As there is no prior public market for such securities, there can be no assurance that an active public market will develop or continue after an investment has been made. Securities purchased in IPOs carry additional risks beyond those in general securities trading. While these securities may offer significant opportunities for gain because of wide fluctuations in price, such fluctuation could work to the material disadvantage of the Sub-Fund.

**Nature of Investments**

The Investment Manager has broad discretion in making investments for the Sub-Fund. Investments will generally consist of equity securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Sub-Fund’s activities and the value of its investments. No guarantee or representation is made that Sub-Fund’s investment objectives will be achieved.

**Speculative Nature of Certain Investments**

Certain investments of the Sub-Fund may be regarded as speculative in nature and involving increased levels of investment risk. Since an inherent part of the Investment Manager’s strategy will be to identify securities and other investments that are undervalued (or, in the case of short positions, overvalued) by the marketplace, success of such strategy necessarily depends upon the market eventually recognizing such value in the price of the security or other investment, which may not necessarily occur. Accordingly, investors in the Sub-Fund must be prepared to assume the risks inherent in such speculative investments.

**Performance Fee – No Equalisation**

The methodology used in calculating the Performance Fees in respect of the Class B, Class S, Class A, Class P and Class I Shares may result in inequalities as between Shareholders in relation to the payment of Performance Fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the Performance Fee calculation).

**Counterparty Risk**

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI, repo or securities lending agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund aims to mitigate its credit risk to its counterparties by receiving collateral but, to the extent that any FDI is not collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund will maintain an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

**Brokerage and Other Arrangements**

In selecting brokers or dealers to effect portfolio transactions, the Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Investment Manager may cause commissions to be paid to a broker or dealer that furnishes or pays for research, services or equipment at a higher price than that which might be charged by another broker or dealer for effecting the same transaction. In the event that the Investment Manager does enter into soft commission arrangement(s) it shall seek to ensure that (i) the broker or counterparty to the arrangement will provide best execution to the Sub-Fund; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the Sub-Fund and/or other clients of the Investment Manager and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the following report of the Fund. In the event that such report is the unaudited semi-annual report, details shall also be included in the following annual report.
Broker Credit Risks

Assets deposited as margin with executing brokers need not be segregated from the assets of such executing brokers. Such assets may therefore be available to the creditors of such executing brokers in the event of their insolvency. The failure or bankruptcy of a broker may result in adverse consequences for the assets of the Sub-Fund and may in turn, have an adverse effect on the Net Asset Value of the Sub-Fund.

Settlement Risks

The Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

Possible Adverse Tax Consequences

The Investment Manager cannot assure any investor that the relevant, applicable tax authorities (each a "Tax Authority") will accept the tax positions taken by the Investment Manager and/or the Sub-Fund. If any Tax Authority successfully contests a tax position taken by the Investment Manager and/or the Sub-Fund, the Investment Manager and/or the Sub-Fund may be liable for tax, interest or penalties and the investors may need to file or amend one or more tax returns.

Futures

Futures prices may be volatile. This volatility may lead to substantial risks and returns, possibly much larger than in the case of equity or fixed income investments. The Sub-Fund may trade futures on a leveraged basis. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Sub-Fund.

Futures trading may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Sub-Fund from promptly liquidating unfavourable positions, subjecting the Sub-Fund to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For the purposes of complying with speculative position limits, the Sub-Fund's outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Investment Manager or any agent of the Investment Manager. As a result, the Sub-Fund may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures.

Some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists and a trader may have limited recourse with respect to a contract. In addition, unless the Sub-Fund hedges against fluctuations in the exchange rate between the USD (being the Base Currency of the Sub-Fund) and other currencies in which trading is done on non-US exchanges, any profits that the Sub-Fund realises in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Sub-Fund could incur losses as a result of those changes.

Options

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause the value of Shares to be subject to more frequent and wider fluctuations than would be the case if the Sub-Fund did not invest in options.

Compulsory Repurchase of Shareholder’s Shares

The Directors have the right to repurchase, in accordance with the Articles, all of the Shares of any Share class held by a Shareholder if a Shareholder fails to produce all required information for anti-money laundering purposes, or, given the potential pecuniary, regulatory, legal or material administrative disadvantages for the Fund.

Re-invested Cash Collateral
Collateral may be obtained in respect of OTC FDI and efficient portfolio management techniques. Where cash collateral is re-invested, it will be subject to the same risks as direct investments as set out under the section entitled “Risk Factors” in the Prospectus. Re-invested cash collateral should also be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Conflicts of Interest

The Investment Manager (and its principals, directors, shareholders, affiliates or employees) serve or may serve as investment manager or investment advisor to other client accounts and conduct investment activities for their own accounts (such entities and accounts are referred to collectively as the “Other Clients”). Such Other Clients may have investment objectives or may implement investment strategies similar to those of the Sub-Fund.

The Investment Manager (or its principals, directors, shareholders, affiliates or employees) may give advice or take action with respect to such Other Clients that differs from the advice given with respect to the Sub-Fund. It may not always be possible or consistent with the investment objectives of the Other Clients and of the Sub-Fund for the same investment positions to be taken or liquidated at the same time or at the same price. Participation in specific investment opportunities may be appropriate, at times, for the Sub-Fund and one or more of the Other Clients. In such cases, participation in such opportunities will be allocated on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the Sub-Fund and the Other Clients for which participation is appropriate.

The existence of the Performance Fee may create an incentive for the Investment Manager to make more speculative investments on behalf of the Sub-Fund than it would otherwise make in the absence of such performance-based fee. The Performance Fee may result in performance fees to the Investment Manager that may be greater than performance fees paid to other managers for similar services. In addition, the Management Fee is paid without regard to the overall success of the Sub-Fund.

The Investment Manager and its affiliates manage the Other Clients pursuant to various fee arrangements. Differences in such fee arrangements may give them an incentive to prefer such Other Clients above the Sub-Fund. For example, certain of such Other Clients may participate in an incentive fee arrangement, which may be more economically favourable to the Investment Manager. Nonetheless, the Investment Manager intends to act in a manner that is fair to all its clients, including the Sub-Fund.

In addition, purchase and sale transactions (including swaps) may be effected between the Sub-Fund and Other Clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commission or fee (except for customary transfer fees or fees paid to a third party broker) or other remuneration shall be paid in connection with any such transaction.

The Investment Manager (and its principals, directors, shareholders, affiliates or employees) may conduct any other business including any business within the securities industry.
DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant class of Shares.

KEY INFORMATION FOR PURCHASING AND SELLING

Base Currency

Great British Pound

Classes of Shares

Shares in the Sub-Fund will be available in different classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Fee</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>No</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF10,000</td>
<td>2%</td>
<td>20%</td>
<td>CHF1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A SEK Shares</td>
<td>Swedish Krona</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 100,000</td>
<td>2%</td>
<td>20%</td>
<td>SEK 10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>No</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>CHF10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class I SEK Shares</td>
<td>Swedish Krona</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 10,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>SEK 100,000</td>
<td>10,000 Shares</td>
</tr>
<tr>
<td>Class P EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€100,000</td>
<td>1.5%</td>
<td>20%</td>
<td>€10,000</td>
<td>100 Shares</td>
</tr>
<tr>
<td>Class P USD Shares</td>
<td>US Dollar</td>
<td>Yes</td>
<td>$1,000</td>
<td>US$100,000</td>
<td>1.5%</td>
<td>20%</td>
<td>$10,000</td>
<td>100 Shares</td>
</tr>
<tr>
<td>Class P GBP Shares</td>
<td>Pound Sterling</td>
<td>No</td>
<td>£1,000</td>
<td>£100,000</td>
<td>1.5%</td>
<td>20%</td>
<td>£10,000</td>
<td>100 Shares</td>
</tr>
<tr>
<td>Class</td>
<td>CHF Shares</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF100,000</td>
<td>1.5%</td>
<td>20%</td>
<td>CHF10,000</td>
<td>100 Shares</td>
</tr>
<tr>
<td>-------</td>
<td>------------</td>
<td>-----</td>
<td>----------</td>
<td>------------</td>
<td>------</td>
<td>-----</td>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>Class P</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF100,000</td>
<td>1.5%</td>
<td>20%</td>
<td>CHF10,000</td>
<td>100 Shares</td>
</tr>
<tr>
<td>Class P</td>
<td>SEK Shares</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 1,000,000</td>
<td>1.5%</td>
<td>20%</td>
<td>SEK 10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>EUR Shares</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>€10,000</td>
<td>10,000 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>USD Shares</td>
<td>Yes</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>$10,000</td>
<td>10,000 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>GBP Shares</td>
<td>No</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>£10,000</td>
<td>10,000 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>CHF Shares</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>CHF10,000</td>
<td>10,000 Shares</td>
</tr>
<tr>
<td>Class B</td>
<td>SEK Shares</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 10,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>SEK 100,000</td>
<td>100,000 Shares</td>
</tr>
<tr>
<td>Class S</td>
<td>EUR Shares</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>€10,000</td>
<td>100,000 Shares</td>
</tr>
<tr>
<td>Class S</td>
<td>USD Shares</td>
<td>Yes</td>
<td>$1,000</td>
<td>$10,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>$10,000</td>
<td>100,000 Shares</td>
</tr>
<tr>
<td>Class S</td>
<td>GBP Shares</td>
<td>No</td>
<td>£1,000</td>
<td>£10,000,000</td>
<td>1.00%</td>
<td>15%</td>
<td>£10,000</td>
<td>100,000 Shares</td>
</tr>
<tr>
<td>Class M</td>
<td>Shares</td>
<td>No</td>
<td>£1,000</td>
<td>£20,000</td>
<td>0%</td>
<td>0%</td>
<td>£1,000</td>
<td>20 shares</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified in advance of any permanent change to the Minimum Initial Subscription, the Minimum Subsequent Subscription, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share class to below the Minimum Holding.

The Class B EUR Shares, Class B CHF Shares, Class B USD Shares, Class B SEK Shares and Class B GBP Shares will be the seed Share classes and therefore it is expected that such Shares will only be available for subscription until such time as the Net Asset Value in these Share Classes reaches 100 million GBP in aggregate, or such other amount as may be determined by the Directors from time to time in their absolute discretion.

The Class S EUR Shares, Class S USD Shares and Class S GBP Shares will be the early bird Share classes and therefore it is expected that such Shares will only be available for subscription until such time as the Net Asset Value in these Share Classes reaches 50 million GBP in aggregate, or such other amount as may be determined by the Directors from time to time in their absolute discretion.

Confirmation can be obtained from the Distributor as to whether any of these Share classes are currently being offered for subscription at any time after the initial offer period set out below.

The Class M Shares are a management Share class and no management or performance fees are payable in respect of this Share class. The Class M Shares are for investment by the Investment Manager and its employees and such others persons as the Investment Manager may determine from time to time.

The USD, SEK, CHF and EUR denominated Share classes are Hedged Share Classes. In respect of the Hedged Share Classes, the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Hedged Share Class is denominated. Such transactions will be allocated solely to the relevant Hedged Share Class. Therefore, currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Share classes.
Investors in USD, SEK, CHF and EUR denominated Share classes are referred to the description and risks related to Hedged Share Classes in section 16.6 of the Prospectus.

Investors must subscribe into a Share class in the currency in which that Share class is denominated. Repurchase payments are also made in the currency in which the relevant Share class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period for each Share Class**

The initial offer period for all Share Classes other than Class B GBP Shares, Class S EUR Shares, Class S USD Shares and Class S GBP Shares is as from 9.00 a.m. (Irish time) on 24 July until 5:00 p.m. (Irish time) on 30th December 2017 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

The Class B GBP Shares, Class S EUR Shares, Class S USD Shares and Class S GBP Shares are available at their Net Asset Value on any Dealing Day.

**Business Day**

Every day (except legal public holidays in the United Kingdom or Ireland or days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

**Dealing Day**

Every Business Day (except legal public holidays in the United Kingdom or Ireland or days on which the stock markets in London are closed) during which banks in Ireland and the United Kingdom are open for normal business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

In the case of subscriptions, 12 midday Irish time 1 Business Day prior to the relevant Dealing Day.

In the case of repurchases, 12 midday Irish time 1 Business Day prior to the relevant Dealing Day.

The Directors may, in their discretion and in exceptional circumstances, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

**Settlement Date**

In the case of subscriptions, by 12 midday Irish time 3 Business Days after the relevant Dealing Day.

In the case of redemptions, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

In the case of transferable securities and listed FDI, the valuation point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the valuation point will be the close of business on the Dealing Day of the markets relevant to the underlying assets to which the FDIs relate or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.
Initial, Exchange and Repurchase Charges

With respect to Class A GBP Shares, Class A USD Shares, Class A CHF Shares, Class A SEK Shares and Class A EUR Shares, the Sub-Fund may on any Dealing Day that a Shareholder subscribes for Shares require such Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor (which may be an affiliate of the Investment Manager) or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P GBP Shares, Class P USD Shares, Class P CHF Shares, Class P SEK Shares and Class P EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor (which may be an affiliate of the Investment Manager) or intermediary, who has the discretion to waive or rebate such charge.

No exchange charge or repurchase charge shall be payable in respect of the Shares.

The Sub-Fund may impose an anti-dilution levy or adjustment on the issue or repurchase of Shares as further described in the section of the Prospectus entitled Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets. Investors should note that this anti-dilution levy includes any cost associated with the purchase or sale of investments including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other transaction costs.

Management Fee

The Fund will pay in aggregate to the Investment Manager from the assets attributable to each class of Shares of the Sub-Fund the following fees (“Management Fees”) which are based on a percentage of Net Asset Value attributable to such class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

2% per Class A GBP Share, Class A USD Share, Class A SEK Share, Class A CHF Share and Class A EUR Share (collectively, the “Class A Shares”); 1.5% per Class I GBP Share, Class I USD Share, Class I CHF Share, Class I SEK Share and Class I EUR Share (collectively, the “Class I Shares”); 1.5% per Class P GBP Share, Class P USD Share, Class P CHF Share, Class P SEK Share and Class P EUR Share (collectively, the “Class P Shares”); 1.00% per Class B GBP Share, Class B USD Share, Class B CHF Share, Class B SEK Share and Class B EUR Share (collectively, the “Class B Shares”); 1.00% per Class S GBP Share, Class S USD Share, Class S EUR Share (collectively, the “Class S Shares”)}

Performance Fee

In addition to the other fees payable in respect of each Share class in the Sub-Fund, a performance fee (the “Performance Fee”) is payable in total to the Investment Manager equal to (i) 15% for Class S Shares and Class B Shares and 20% in respect of the Class A Shares, Class P Shares and Class I Shares; of the net appreciation in the net asset value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

336
For the first Calculation Period which shall be from the close of the relevant initial offer period to 31 December 2017, the “High Water Mark Net Asset Value” means the Initial Issue Price for the relevant Share class (which will be taken as the starting price for the calculation of the initial Performance Fee for a Share class) multiplied by the number of Shares of such Share class in issue at the launch of the relevant Share class.

For each subsequent Calculation Period for a Share class, the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share class at the beginning of the Calculation Period multiplied by the number of Shares of such Share class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee payable for a Calculation Period shall be equal to 15% for Class S Shares and Class B Shares and 20% for Class A, Class P and Class I Shares of the amount by which the net asset value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period and remained unpaid at the end of Calculation Period.

During each Calculation Period the High Water Mark Net Asset Value for a Share class will be increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period. With regard to redemptions, the High Water Mark Net Asset Value for a Share class is decreased by an amount equal to the percentage which such redemptions represent of the Net Asset Value of the Class on the relevant Dealing Day (i.e., if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, the High Water Mark Net Asset Value for a Share class is increased by an amount equal to the value of the subscription.

For the purposes of the Performance Fee calculation, the Net Asset Value of the relevant Share class shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share class exceeds the relevant High Water Mark Net Asset Value for the relevant Calculation Period. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee will be accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid within 14 calendar days of the end of the relevant Calculation Period to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of relevant month when the Performance Fees has been crystallised. When a Performance Fee is crystallised on a redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee will be calculated by the Administrator and verified by the Depositary.
It should be noted that as the Net Asset Value may differ between Share classes, separate Performance Fee calculations will be carried out for separate Share classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.

**Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the Net Asset Value of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provided by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

**On-going Charges and Expenses**

The additional charges and expenses specified in the section entitled *On-going Charges and Expenses* in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of their own fees.

13 **HOW TO SUBSCRIBE FOR SHARES**

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled *Applications for Shares* in the Prospectus.

14 **HOW TO REPURCHASE SHARES**

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled *Repurchase of Shares* in the Prospectus.

15 **HOW TO EXCHANGE SHARES**

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled *Exchange of Shares* in the Prospectus.

16 **ESTABLISHMENT CHARGES AND EXPENSES**

The cost and expenses of establishing the Sub-Fund will be paid by MSI plc.

17 **OTHER CHARGES AND EXPENSES**

Further details of the charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings *Management Charges and Expenses* and *General Charges and*
**Expenses.** In addition, the Sub-Fund will bear any currency hedging costs, ongoing regulatory expenses, including, without limitation, the fees and expenses associated with any preparation and filings related to regulatory filings which seek information about the Sub-Fund, investment and/or trading related expenses, including, without limitation, subscriptions, investment and trading related software, including data processing and storage, software development and trade order management software (e.g., software used to route trade orders).

**SERVICES AGREEMENT**

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, wilful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result, or in connection with, or arising out of the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, wilful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider (in its capacity as sub-custodian) and each such Morgan Stanley Company will be charged by the Fund in their favor and will therefore constitute collateral for the purposes of the rules of the FCA. Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider's own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Services Agreement, be client money for the purposes of the FCA rules and will therefore be subject to the client money protections conferred by the FCA rules.

Either party may terminate the Services Agreement by giving at least five Business Days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies, or the Fund to perform any or all of its respective obligations thereunder.
This Supplement contains specific information in relation to the Investcorp Geo-Risk Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017, as amended (the “Prospectus”).

The Sub-Fund will invest principally in financial derivative instruments.

The Directors of the Fund whose names appear in the section entitled “Directors of the Fund” in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Save as disclosed herein, there has been no significant change and no significant new matter has arisen since the date of the Prospectus.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES.................................................................3
2. INVESTMENT RESTRICTIONS.................................................................................8
3. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE STRATEGY AND THE SUB FUND.................................................................8
4. INVESTMENT MANAGER.......................................................................................9
5. RISK MANAGER....................................................................................................9
6. BORROWING AND LEVERAGE............................................................................10
7. RISK FACTORS.....................................................................................................10
8. DIVIDEND POLICY...............................................................................................12
9. KEY INFORMATION FOR PURCHASING AND SELLING........................................12
10. CHARGES AND EXPENSES..............................................................................15
11. ORGANISATIONAL AND OTHER COSTS..........................................................17
12. HOW TO SUBSCRIBE FOR SHARES.................................................................17
13. HOW TO REPURCHASE SHARES.....................................................................17
14. HOW TO EXCHANGE SHARES........................................................................17
15. REGISTRATION OF SHARES..........................................................................17
16. ESTABLISHMENT CHARGES AND EXPENSES.............................................17
17. OTHER CHARGES AND EXPENSES...............................................................17
18. OTHER INFORMATION......................................................................................18
1. INVESTMENT OBJECTIVE AND POLICIES

1.1. Investment Objective

The Sub-Fund’s investment objective is to seek medium-to-long term capital appreciation irrespective of market conditions.

1.2. Investment Policy

1.2.1 Exposure to the Strategy

The Sub-Fund will seek to achieve its objective by gaining exposure to a strategy developed and implemented by the Investment Manager (the “Strategy”) consisting of a portfolio of systematic (i.e., rules-based) strategies and UCITS-eligible indices (each an “Index” and collectively, the “Indices”), which will be implemented across a range of global asset classes (namely equities, fixed income securities, currencies, UCITS-eligible commodity indices and exchange traded commodity-linked notes) (collectively, the “Target Asset Classes”). The exposure to the systematic strategies and the Indices will be implemented primarily through one or more total return swaps (collectively, “Total Return Swaps”). For further information on the Strategy and the portfolio construction of the Strategy, please see the sections entitled “Description of the Strategy” and “Portfolio Construction” below. Details of the Indices will be set out in the latest annual report and audited accounts of the Fund.

The Sub-Fund may purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets to the Approved Counterparty (as defined below) under a total return swap (the “Funding Swap”, and together with the Total Return Swaps, the “Swaps”) in exchange for a floating rate of return (i.e., a market rate of return agreed with the Approved Counterparty from time to time generated through the Funding Swap) being received by the Sub-Fund from the Approved Counterparty. It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Funding Assets other than in the event of a default by an Approved Counterparty under the terms of a Funding Swap.

“Funding Assets” include equity securities or other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities and depository receipts for such securities (ADRs traded in the United States markets and GDRs traded in other world markets), issued by companies worldwide. The Funding Assets acquired may be uncorrelated to the Target Asset Classes in which the Strategy will be invested and will be those that, in the opinion of the Investment Manager (as defined below), are suited for the purpose of generating a monetary return by providing to the Approved Counterparty the economic interest of the Funding Assets.

1.2.2 Protection against Geopolitical Risk of the Strategy

In addition to the Sub-Fund’s exposure to the Strategy for investment purposes, the Sub-Fund will, at times, take long and short positions in the Target Asset Classes, synthetically through the use of financial derivative instruments (“FDIs”), solely with the intent of hedging against or reducing the risk associated with geopolitical risks that may affect the Strategy, consistent with the Investment Manager’s views, as further detailed below. The Target Asset Classes in which the Sub-Fund may invest directly for such hedging and risk reduction purposes include exchange traded commodity-linked notes that are traded on the markets referred to in Appendix II of the Prospectus. The Sub-Fund may only invest in exchange traded commodity-linked notes that are UCITS eligible and that will not embed leverage or derivatives.

In the context of this investment strategy, geopolitical risk is defined as market volatility (i.e., the standard deviation (a measure of the variability) of price change (up or down) of a given asset over a period of time) caused by market participants’ reaction to realized or anticipated geopolitical events. Geopolitical events are disruptive events resulting in political changes, or country or regional instability. Instability could stem from changes in governments, legislative bodies, and foreign policy decisions, including military actions. Examples of geopolitical risks include Brexit, Russia’s invasion of Ukraine, the U.S. presidential election, and the ongoing war in Syria. Events identified as actionable geopolitical risk events by the Investment Manager are translated into investment positions believed to
insulate the Sub-Fund from related adverse volatility by producing a positive return in case the identified events occur. The below FDIs can be used to take directional long positions on a segment of the market to benefit from a geopolitical event’s occurrence and short positions on a segment of the market to lose from a geopolitical event’s occurrence.

While the Sub-Fund will generally buy long positions, which make up the core portfolio, it may take short positions in certain circumstances, driven by the belief that a geopolitical risk will push down the value of certain assets. The Investment Manager may either sell the assets, reducing exposure to long assets and going into cash, or take a short position on assets to which it has a long exposure, which in effect reduces the Sub-Fund’s overall exposure to the assets. The Investment Manager may, in other scenarios, take short exposure to assets where the Investment Manager has a strong conviction that the value of the assets is likely to go down. For example, if the Investment Manager believes a geopolitical event will have a larger effect on Brazil relative to other countries, it may elect to take short positions with Brazilian exposure.

In this regard, the Sub-Fund may use swaps, options, futures and options on futures for differences (“CFD”) as follows: (i) equity swaps and CFDs for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options to hedge against the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) single name or index futures in order to hedge the equity portion of the portfolio from movements in equity markets or individual stocks, as applicable or for investment purposes; (iv) credit default swaps to hedge the default and macroeconomic risk in respect of certain investments or for investment purposes; and (v) options on futures to quantify the potential loss from a contract expiring in a loss position or for investment purposes. The Sub-Fund may also have further indirect exposure to these FDIs through the Strategy.

1.2.3 General

For further information on the types of FDIs that the Sub-Fund may enter into or have exposure to through the Strategy, please see the section entitled “Information on the Financial Derivative Instruments within the Strategy and the Sub-Fund” below. If it is proposed to utilise any FDIs that are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance entitled UCITS Financial Derivative Instruments and Efficient Portfolio Management for clearance prior to the Sub-Fund using such FDIs. The counterparties for all off-exchange derivatives will be UCITS-eligible counterparties that meet the requirements of the Central Bank UCITS Regulations (each an “Approved Counterparty”). These Approved Counterparties may provide collateral to the Sub-Fund so that the Sub-Fund’s risk exposure to any such counterparty is reduced to the extent required by the Central Bank. Collateral will be in the form required by the Central Bank. The Approved Counterparties will not have any discretion over the Sub-Fund’s assets.

In addition to the FDIs referred to above, the Sub-Fund may, subject to the Central Bank’s requirements, enter into forward currency exchange contracts to seek to hedge against the risk of adverse currency movements between the class currency of the Hedged Share Classes and the Base Currency, as described under the section entitled “Share Classes” below.

For cash management purposes, the Sub-Fund may invest up to 100% of its Net Asset Value in other regulated funds including UCITS money market funds or alternative investment money market funds that are equivalent to UCITS, with no more than 20% of the Sub-Fund’s Net Asset Value being invested in any one such fund. Any such fund will not charge annual management fees in excess of 3% of its net asset value and will be domiciled in the EEA, Jersey, Guernsey, the Isle of Man, or the United States. No more than 30% of the Sub-Fund’s Net Asset Value may be invested in the aggregate in alternative investment funds and no more than 20% of the Sub-Fund’s Net Asset Value may be invested in non-money market funds (including exchange traded funds).

The Sub-Fund may also hold, for the purpose of efficient portfolio management, ancillary liquid assets, which may include bank deposits, certificates of deposit, fixed or floating rate instruments, government securities, commercial paper, floating rate notes and freely transferable promissory notes which are listed or traded on the Markets referred to in Appendix II of the Prospectus. The fixed income securities in which the Sub-Fund may invest will be investment grade and may be unrated and be either fixed or floating and government or corporate. Fixed income securities will be deemed to be investment grade if they have a Standard & Poor’s BBB- rating or better or an equivalent rating by any of the other principal
rating agencies or, if unrated, are determined to be above investment grade by the Investment Manager. The Sub-Fund will not invest in below investment grade fixed income securities.

The use of efficient portfolio management techniques may impact positively or negatively on the performance of the Sub-Fund.

It is anticipated that the Sub-Fund’s long exposure (including exposure within the Strategy) will generally be between 100% and 600% of the Sub Fund’s Net Asset Value and the Sub-Fund’s short exposure (including exposure within the Strategy) will generally be between 0% and 600% of the Sub Fund’s Net Asset Value. The Sub-Fund’s short exposure will be generated through the derivatives used within the Strategy or invested in directly by the Sub-Fund as described in the section entitled “Information on the Financial Derivatives within the Strategy and the Sub-Fund” below.

The range of the Sub-Fund’s long and short exposures is broad because the Investment Manager may need to raise or lower the Sub-Fund’s exposure to a certain instrument, depending on that instrument’s underlying volatility.

The Sub-Fund will not enter into repurchase, reverse repurchase, or stock lending agreements. The Sub-Fund’s exposure to the Swaps is expected to be 400% of its Net Asset Value and its maximum exposure to the Swaps will be 1200% of its Net Asset Value. These figures reflect the expected and maximum notional for the Swaps.

1.3. Description of the Strategy

The Investment Manager determines the composition of the Strategy at its absolute discretion.

Through the Strategy, the Sub-Fund will have exposure to the following five sources of risk premia (i.e., source of excess returns over a risk free rate):

- (1) Value/Reversal;
- (2) Carry;
- (3) Momentum/Trend;
- (4) Defensive; and
- (5) Volatility,

each as described further below (each, an “Underlying Risk Premia” and collectively, the “Underlying Risk Premia”).

The Underlying Risk Premia may be obtained from any of the Target Asset Classes. Exposure to Underlying Risk Premia may be achieved through exposure to Indices. Exposure to commodities through the Strategy will be achieved solely through exposure to commodity Indices that have been cleared in advance by the Central Bank as UCITS-eligible.

The discretion over the exposures taken by the Sub-Fund to the Underlying Risk Premia will remain solely with the Investment Manager through its implementation of the Strategy. The relative allocation of each of the Underlying Risk Premia in the Strategy will vary over time reflecting geopolitical considerations, market conditions, and overall risk assessment made by the Investment Manager, as well as the outcome of the Investment Manager’s portfolio optimization process (see section 1.4, entitled “Portfolio Construction” below). As a result, certain of the Underlying Risk Premia will be more or less heavily favoured at any given time, depending on the collective impact of the foregoing.

The exposure to each Underlying Risk Premia will be taken synthetically and the Investment Manager may use the below-described FDIs to gain exposure to each of the Underlying Risk Premia:

<table>
<thead>
<tr>
<th>Underlying Risk Premia/ Financial Derivative Instruments</th>
<th>Equity Futures and Equity Options</th>
<th>Interest Rates Futures and Options on Interest Rates</th>
<th>Variance Swaps</th>
<th>FX Futures and Forwards and FX Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value/Reversal</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
1.3.1. **Value/Reversal**

The reversal element of this Underlying Risk Premia seeks to benefit from a reversion of market prices towards pre-determined target prices. It seeks to benefit from short-term deviation in asset prices from the average price on the assumption that the underlying will move to the average price over time and may be implemented across Target Asset Classes using different techniques. For instance, the Underlying Risk Premia would take a long position in an instrument that has fallen or short position in any instrument that has risen in value relative to that asset’s price over a defined period of a week or more. The exposure to which this Underlying Risk Premia takes with respect to an asset will be determined systematically by the amount that the price moves up or down over a certain period of time.

The value element of this Underlying Risk Premia seeks to benefit from a reversion of market prices towards target prices that are determined based on a fundamental analysis of the underlying asset. Target prices can be determined in absolute terms (i.e., an assessment of ‘fair value’) or in relative terms (via valuation ratios such as price-to-earnings (P/E) within the equity Target Asset Class, as described below). This Underlying Risk Premia seeks to profit from assets that are undervalued relative to other assets, as determined by the Investment Manager’s proprietary valuation model. The Underlying Risk Premia will take a long exposure to the undervalued asset and a short exposure to the overvalued asset. An example would be assessing stocks using a valuation metric such as P/E, which compares the market price for an issuer’s securities against its annual earnings, buying those with a low P/E ratio, and taking a synthetic short exposure to the stocks with the highest P/E ratio. Another example would be taking long exposure to interest rates (through exposure to fixed income securities) that the Investment Manager considers too low for a particular maturity as opposed to short exposure to interest rates that are considered too high for a particular maturity.

1.3.2. **Carry**

This Underlying Risk Premia seeks to generate a net positive return from transactions in which the purchase of assets with higher interest rates is funded by the (short) sale of assets with lower interest rates. This Underlying Risk Premia is designed to capture the difference between the current prediction of the asset’s price as represented by the underlying forwards on the asset trading in the market at present, and the actual asset price in the future. An example would consist of funding the purchase of sovereign bonds in countries with relatively high interest rates by borrowing funds in countries with relatively lower interest rates.

1.3.3 **Momentum/Trend**

This Underlying Risk Premia seeks to profit from a continuation in observed past asset price movements through the simultaneous purchase of assets exhibiting relatively stronger performance and the sale of assets exhibiting relatively weaker performance, within a specified Target Asset Class. This Underlying Risk Premia can also be implemented by purchasing assets exhibiting strength relative to their own historic price movements and selling assets exhibiting weakness relative to their historical price movements.

1.3.4 **Defensive**

This Underlying Risk Premia seeks exposure to assets expected to outperform (within a given Target Asset Class) during periods in which investors are generally more risk-averse. Long positions are taken in “defensive” assets and short positions are taken in non-defensive assets.

Defensive assets can be identified using market-based measures such as volatility. Assets exhibiting low volatility or that are expected to have low volatility in the future are considered defensive. Low variability in underlying issuers’ operating cash flows, low leverage, and high profitability are among characteristics used in determining potential low future volatility for equities.

This Underlying Risk Premia also seeks to generate returns based on the outperformance of “low beta”
equities relative to “high beta” equities, in which beta reflects the security’s volatility in comparison to the market as a whole. The exposure is designed to be market-neutral, with long and short positions determined to neutralize the Underlying Risk Premia’s exposure to the market as a whole.

1.3.5 Volatility

This Underlying Risk Premia seeks to gain from views on future levels of volatility-based attributes (including volatility, variance (measured as the square root of volatility), and correlation (a measure of the joint movement in price of different securities) of individual assets or portfolios of assets and across Target Asset Classes.

The Underlying Risk Premia seeks to monetize the difference between implied volatility or estimated volatility and realized volatility, which represents the actual volatility over a period of time, across Target Asset Classes using listed or over-the-counter (“OTC”) instruments such as options and variance swaps. An example would include buying options to monetize the difference between the volatility of a specific asset that are implied in the price of options and the volatility that is realised in the market for a period. This Underlying Risk Premia may provide exposure to equity indices and equities, foreign exchange, commodities or interest rates.

1.4. Portfolio Construction

The allocation to the Underlying Risk Premia described above and investments held by the Sub-Fund are derived by the Investment Manager through its multi-step portfolio construction process, which generally includes the following:

(1) The Investment Manager assesses each of the Underlying Risk Premia regarding their construction and performance characteristics before their inclusion in the Sub-Fund at any point of time. The Investment Manager will subject Underlying Risk Premia and Indices to a due diligence process that includes historical risk and return analysis that details the risk-return profile of each Underlying Risk Premia or Index across different global and market environments, academic literature review, and a qualitative assessment whereby the Investment Manager will analyse likely returns, risk and liquidity. Global environments are measured using variables describing the current state of the global economy (including levels and acceleration in growth and inflation) and current state of market participants’ risk aversion (including by way of measuring risk levels of a specific asset that are implied in the price of options).

(2) After the inclusion of an Underlying Risk Premia or Index, the Investment Manager will build or adjust the portfolio in order to determine the weight of the Underlying Risk Premia or Index in the portfolio, using a portfolio risk-based optimization process based on historically observed market volatilities and correlations, as well as fundamental analysis of the global economy, relevant industry sector and economic conditions. While this optimization process is systematic, the Investment Manager may, from time-to-time, make discretionary decisions to rebalance weights to the Underlying Risk Premia or Indices within the portfolio, on the basis of an assessment as to whether it believes the portfolio is sufficiently diversified in terms of industry, geography, or sources of investment returns.

As a result of the above, at any given point in time, the portfolio may be allocated across multiple (or all) Underlying Risk Premia described herein, with varying allocations to each. Ultimately, the goal of this process is to derive a diversified exposure to the Underlying Risk Premia while hedging the exposure to geopolitical risk using FDIs described in the section entitled “Protection against Geopolitical Risk of the Strategy” above.

1.5. Profile of a Typical Investor

An investment in the Sub-Fund is suitable for investors seeking medium to long-term capital appreciation. Shares in the Sub-Fund are available to both retail and institutional investors.

2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may, from time-to-time, impose such further investment restrictions as shall be
compatible with or in the interests of Shareholders in order to comply with the laws and regulations of the countries where Shareholders are located.

3. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE STRATEGY AND THE SUB-FUND

3.1. Swaps

These include credit default swaps, total return swaps, contracts for difference and currency swaps. The “buyer” in a credit default 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 obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract. A total return swap or a contract for differences is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency. A contract for difference is a bilateral contract, often using leverage (i.e., a multiplier that is specified in the contract), which obligates involved parties to exchange amounts of currency proportional to the difference between an underlying asset’s current market value and its market value at the contract’s inception at the time of contract settlement.

3.2. Variance and Volatility Swaps

Variance and volatility swaps are instruments that allow investors to take directional views on the volatility of an underlying such as an equity index. A volatility or variance swap allows the Sub-Fund to take exposure to volatility. One leg of the swap is exposed to the variance of the underlying while the other side is exposed to a fixed amount or strike. Variance and volatility are related in that variance is the square of volatility.

3.3. Options

Options may be traded on an exchange or OTC and may have single name securities, indices or custom baskets of securities as underlying reference assets. Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference assets at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.

3.4. Futures

The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. The Strategy may employ Indices that are comprised of futures.

3.5. Forward Currency Exchange Contracts

A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The forward currency exchange contracts will be used to hedge the underlying currency risk of the Sub-Fund. The Sub-Fund or Strategy may employ UCITS-eligible Indices that are comprised of forward or futures currency exchange contracts as well as systematic strategies comprised of rolling forward or futures currency exchange contracts for this purpose. These strategies take a short exposure to a futures contract that is then rolled on to another futures contract systematically, without any discretionary input.

4. INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is Investcorp Investment Advisers LLC. The Investment
Manager is incorporated in United States and has its offices at 280 Park Avenue, 39th Floor, New York, New York 10017, United States of America.

The Investment Manager is regulated by the U.S. Securities and Exchange Commission ("SEC") and the U.S. Commodity Futures Trading Commission, and is a member of the U.S. National Futures Association. As of 30 September 2016, the Investment Manager had approximately $1.8 billion of assets under management.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to the investment management agreement between the Fund and the Investment Manager dated 14 July 2017, as may be amended from time to time (the "Investment Management Agreement")

Subject to controls imposed by the Directors under the Investment Management Agreement, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Investment Management Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss is due to wilful misconduct, gross negligence or fraud by the Investment Manager itself, its directors, officers, servants, employees and appointees.

The Investment Management Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Investment Management Agreement, either party may terminate the Investment Management Agreement on giving not less than three months’ prior written notice (or such other period as may be agreed between the parties).

5. RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Risk Manager”) has agreed to provide certain sub-funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management process in respect of the Sub-Fund.

The Risk Management Agreement provides that the Risk Manager shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Risk Manager (its directors, officers, servants, employees, delegates or subcontractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Risk Manager (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Risk Manager be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

6. BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will be leveraged through the use of FDIs. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund will be calculated daily and will not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of four years.
The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions (including leverage inherent in the Strategy) is expected to be between 0% and 600% of the Sub-Fund’s Net Asset Value and will never exceed 1200% of the Sub-Fund’s Net Asset Value. The Sub-Fund’s gross leverage will depend largely on the notional exposures contained within the Strategy and the exposure of the Sub-Fund to the Strategy.

The levels of leverage taken may change depending on the Investment Manager’s view of the market (including market risk levels) and the Sub-Fund’s portfolio. The Investment Manager expects that in low-risk environments in which it has a high degree of confidence about the Sub-Fund’s portfolio, it will maintain a higher-leverage position than in higher-risk environments in which it has lower confidence about the Sub-Fund’s portfolio.

7. **RISK FACTORS**

The risk factors set out in the section entitled “Risk Factors” in the Prospectus apply. The following additional risk factors also apply:

7.1. **Absence of Prior Performance History**

The Sub-Fund is new and thus has no operating history. Past performance of the Investment Manager or its affiliates is not indicative of the future performance of the Sub-Fund.

7.2. **Counterparty Risk and Collateral**

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and will also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI that it enters into including the Funding Swap and the Total Return Swaps. Trading in FDIs that have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral from each respective counterparty; however, to the extent that any FDI is not fully collateralised, a default by the counterparty will result in a reduction in the value of the Sub-Fund. The Sub-Fund maintains an active oversight of counterparty exposure in line with Regulations and the collateral management process in respect of the Sub-Fund.

The applicable cash collateral restrictions are described in the Prospectus section entitled “Efficient Portfolio Management”. Where cash collateral is re-invested, it will be subject to the same risks as direct investments as described in the Prospectus section entitled “Risk Factors”. Where cash collateral received from a counterparty is reinvested this could result in a reduction of the value of the collateral capital where that investment declines in value and this in turn may cause losses to the Fund because it is obliged to return collateral equivalent to the value of the collateral which it received.

7.3. **Termination of Investment Advisory Services**

The Investment Manager may, from time to time, appoint one or more non-discretionary advisors in order to supplement its decision-making process in the course of providing investment management services to the Sub-Fund. Such advice may be a significant input in the Investment Manager’s discretionary investment decisions made in respect of the Sub-Fund. As such, termination of a non-discretionary advisor’s service to the Investment Manager may have a material adverse impact on the performance of the Sub-Fund or may impair the ability of the Investment Manager to manage the Sub-Fund.

7.4. **Liquidity Risk**

Although it is not anticipated, the Sub-Funds’ assets may, at any given time, include securities and other financial instruments or obligations that are very thinly traded or for which no market exists or that are restricted as to their transferability under applicable securities laws or contractual restrictions. The sale of any such investments may be possible only at substantial discounts, if at all. Further, such investments may be extremely difficult to value.
7.5. **Deposit Risk**

An investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme that may be available to protect the holder of a bank deposit account.

7.6. **Depositary Insolvency**

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the Depositary. These risks include without limitation: the loss of all cash that the Depositary has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust that have not been properly segregated and so identified both at the level of the Depositary ("Trust Assets") or client money held by or with the Depositary in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant Trust Assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

7.7. **Trading Program**

An investment in the Sub-Fund is subject to all of the risks associated with the purchase and sale of derivative investments, including, among others, the difficulty of accurately predicting price movements in particular positions and the difficulty of assessing the impact that an unpredictable multitude of economic and other events will have on prices. The Sub-Fund will utilise a variety of trading strategies that, if unsuccessful, could result in a complete loss of a Shareholder’s investment.

7.8. **Risk Control Framework**

No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by the Investment Manager will achieve this objective. Internal target risk limits developed by the Investment Manager and applied in respect of the Sub-Fund may be based upon, among other things, historical trading patterns for the securities and financial instruments in which the Sub-Fund expects to invest. No assurance can be given that such historical trading patterns will allow the Investment Manager to anticipate accurately future trading patterns.

7.9. **General Investment, Market and Economic Risks**

The success of the Sub-Fund’s activities will be affected by general economic and market conditions, such as market and other trends, interest rates, availability of credit, volatility, inflation rates, economic uncertainty, changes in laws, national and international political circumstances and other factors. For example, the SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies that could affect the Sub-Fund. These factors may affect the level and volatility of securities prices and the liquidity of the Sub-Funds’ derivatives and other investments, and may affect substantially and adversely the business and prospects of the Sub-Fund. Prices of commodities are influenced by, among other things, various macro-economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

7.10. **Market Analysis Limitations**

Every method of analysis has its own inherent risks. To perform an accurate market analysis, the Investment Manager must have access to current/new market information. The Investment Manager has no control over the dissemination rate of market information; therefore, unbeknownst to the Investment Manager, certain analyses may be compiled with outdated market information, severely limiting the value of the Investment Manager’s analysis. Furthermore, an accurate market analysis can
only produce a forecast of the direction of market values. There can be no assurances that a
forecasted change in market value will materialize into actionable and/or profitable investment
opportunities.

8. DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share Class (as set out
below). Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset
Value of the relevant class of Shares.

9. KEY INFORMATION FOR PURCHASING AND SELLING

9.1. Base Currency

The Sub-Fund’s Base Currency is U.S. dollars.

9.2. Share Classes

Shares in the Sub-Fund will be available as follows:

<table>
<thead>
<tr>
<th>Share Class</th>
<th>Currency Denom.</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price/Share</th>
<th>Min. Initial Subscription</th>
<th>Management Charge</th>
<th>Performance Fee</th>
<th>Min. Subsequent Subscription / Repurchase Amount</th>
<th>Min. Holding (No. of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class S EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€30,000,000</td>
<td>1.2%</td>
<td>20%</td>
<td>€1,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Class S USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$30,000,000</td>
<td>1.2%</td>
<td>20%</td>
<td>$1,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Class S GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£30,000,000</td>
<td>1.2%</td>
<td>20%</td>
<td>£1,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Class S CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 30,000,000</td>
<td>1.2%</td>
<td>20%</td>
<td>CHF 1,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Class I EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.6%</td>
<td>20%</td>
<td>€1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class I USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>1.6%</td>
<td>20%</td>
<td>$1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class I GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.6%</td>
<td>20%</td>
<td>£1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class I CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 1,000,000</td>
<td>1.6%</td>
<td>20%</td>
<td>CHF 1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000</td>
<td>2.5%</td>
<td>20%</td>
<td>€1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000</td>
<td>2.5%</td>
<td>20%</td>
<td>$1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000</td>
<td>2.5%</td>
<td>20%</td>
<td>£1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class A CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 1,000</td>
<td>2.5%</td>
<td>20%</td>
<td>CHF 1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Class M EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000</td>
<td>0%</td>
<td>0%</td>
<td>€1,000</td>
<td>1</td>
</tr>
<tr>
<td>Class M USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000</td>
<td>0%</td>
<td>0%</td>
<td>$1,000</td>
<td>1</td>
</tr>
<tr>
<td>Share Class</td>
<td>Currency Denom.</td>
<td>Currency Hedged Shares</td>
<td>Initial Issue Price/Share</td>
<td>Min. Initial Subscription</td>
<td>Management Charge</td>
<td>Performance Fee</td>
<td>Min. Subsequent Subscription Amount</td>
<td>Min. Holding (No. of Shares)</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------</td>
<td>------------------------</td>
<td>---------------------------</td>
<td>--------------------------</td>
<td>-------------------</td>
<td>----------------</td>
<td>-------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Class M GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000</td>
<td>0%</td>
<td>0%</td>
<td>£1,000</td>
<td>1</td>
</tr>
<tr>
<td>Class M CHF Shares</td>
<td>Swiss Franc</td>
<td>Yes</td>
<td>CHF 1,000</td>
<td>CHF 1,000</td>
<td>0%</td>
<td>0%</td>
<td>CHF 1,000</td>
<td>1</td>
</tr>
</tbody>
</table>

The EUR, CHF and GBP denominated Share Classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes, the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. The cost and fiscal results of any such currency hedging will be solely for the account of the relevant Shares. Investors in EUR, CHF and GBP denominated Share Classes are referred to the description and risks related to Currency Hedged Share Classes in section 16.5 of the Prospectus.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, following consultation with the Investment Manager, waive the minimum amounts detailed above either generally or in relation to any specific subscription or repurchase.

Class M Shares are reserved for the advisors (including their employees, officers, and directors) to the Sub-Fund, including Investment Manager and those parties (including their employees, officers, and directors) that provide services to the Investment Manager in furtherance of its investment management duties to the Sub-Fund, as well as any other party, in the Investment Manager's sole discretion.

9.3. **Initial Offer Period**

The Initial Offer Period for the Shares was from 9.00 a.m. (Irish time) on 17 July 2017 until 5:00 p.m. (Irish time) on 16 January 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Shares will initially be issued per the terms and at the Initial Issue Price per Share detailed in the above chart. Thereafter, Shares are issued at the Net Asset Value per Share on each Dealing Day.

9.4. **Dealing Day and Business Day**

A Dealing Day and Business Day shall be every day (except a Saturday or Sunday, legal public holidays in any of the United States of America, the United Kingdom, or Ireland) during which banks in the United States of America, Ireland, and the United Kingdom are open for normal business.

9.5. **Dealing Deadline**

The Dealing Deadline shall be 5:00 p.m. (Irish time), at least three Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion, in exceptional circumstances only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

9.6. **Settlement Date**

The Settlement Date shall be at least three Business Days after the relevant Dealing Day in the case of subscriptions and five Business Days after the relevant Dealing Day in the case of repurchases.
In respect of subscriptions, investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

Settlement of subscriptions and repurchases directly with the Sub-Fund shall occur in the currency of the relevant Share Class.

9.7. Valuation Point

In the case of transferable securities and listed FDIs, the Valuation Point will be such time on a Dealing Day that reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDIs, the Valuation Point will be the close of business on the Dealing Day of the markets relevant to the underlying assets to which the FDIs relate or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline. No applications for Shares will be accepted after the close of business of the earliest closing market.

10. CHARGES AND EXPENSES

10.1. Initial and Repurchase Charges

For Class A Shares, an initial charge of up to 3% may be applied, at the discretion of the Investment Manager. No repurchase charge is payable in respect of the Class A Shares and no initial charge or repurchase charge is payable in respect of the other Share Classes.

The Sub-Fund will not impose an anti-dilution levy or adjustment on issue and repurchase of Shares, as further described in the section of the Prospectus entitled “Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets”.

10.2. Management Charge

The Fund will pay to the Investment Manager from the assets attributable to each Class the following fees (the “Management Charge”), which are based on a percentage of net assets attributable to each such Class, which is accrued daily and paid monthly in arrears at an annual rate set out below. The Management Charge shall be allocated to the relevant Class of Shares.

1.2% per Class S EUR Shares, Class S USD Shares, Class S GBP Shares and Class S CHF Shares (collectively, the “Class S Shares”)

1.6% per Class I EUR Shares, Class I USD Shares, Class I GBP Shares and Class I CHF Shares (collectively the “Class I Shares”)

2.5% per Class A EUR Shares, Class A USD Shares, Class A GBP Shares and Class A CHF Shares (collectively the “Class A Shares”)

0.0% per Class M EUR Shares, Class M USD Shares, Class M GBP Shares, and Class M CHF Shares (collectively the “Class M Shares”)

10.3. Performance Fee

In addition to the other fees payable in respect of each Class, a performance fee (the “Performance Fee”) is payable in total to the Investment Manager, of 20% (subject to a high water mark calculation, as described further below) in respect of the Class A Shares, Class S Shares and the Class I Shares, of the net appreciation in the Net Asset Value of each (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

The first Calculation Period shall commence on the first day of the Initial Offer Period and end on 31 December of the calendar year in which the Initial Offer Period begins. For the avoidance of doubt, there will be no Performance Fee payable on the Class M Shares.

“Performance Fee Payment Date” shall mean the date at which the Performance Fee crystallised during a Calculation Period is paid. The Performance Fee Payment Date will be within 14 calendar days
of the end of the relevant Calculation Period.

For the first Calculation Period, the “High Water Mark Net Asset Value” means the Net Asset Value per Share at which the relevant Class was issued multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The relevant initial offer price will be taken as the starting price for the calculation of the initial Performance Fee for each Class.

During each Calculation Period, the High Water Mark Net Asset Value for each Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares that have taken place during such Calculation Period. With regard to redemptions, the High Water Mark Net Asset Value for each Class is decreased by an amount equal to the percentage that such redemptions represent of the Net Asset Value of the relevant Class on the relevant Dealing Day (e.g., if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, the High Water Mark Net Asset Value for each Class is increased by an amount equal to the value of the subscription.

For each subsequent Calculation Period for each Class, the High Water Mark Net Asset Value means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value of the relevant Class at the beginning of the Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares that have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Class at the end of the last Calculation Period where a Performance Fee was payable (or where there was no prior payment of a Performance Fee, the first Calculation Period).

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Class in respect of any Shares that were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of each Class exceeds the High Water Mark Net Asset Value on which a Performance Fee was paid. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains that may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on the Performance Fee Payment Date to the Investment Manager.

If a Shareholder redeems all or part of its Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

Suitable adjustments and restatements shall be made to the Performance Fee calculation for any relevant (i) Class conversion, consolidation, division, exchange or reclassification; (ii) issue and redemption of Shares; and (iii) payment of any dividends on Shares.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

10.4. **Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay to the Risk Manager, out of the assets of the Sub-Fund, a fee that will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in
arrears.

The Risk Manager will, inter alia, pay the fees and expenses of any service provider (in particular the Administrator and Depositary), which are not covered by the Management Charge payable to the Investment Manager and will be entitled to retain any excess after payment of such fees for risk management services provider by the Risk Manager.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

11. ORGANISATIONAL AND OTHER COSTS

The expenses incurred by the Investment Manager in relation to the Sub-Fund’s launch shall be borne by, and payable out of the assets of, the Sub-Fund and may be amortized over a period not exceeding five years. These expenses are not expected to exceed $100,000.

The Sub-Fund will pay all charges and expenses incurred in the Sub-Fund’s operation including, without limitation, taxes; expenses for legal, accounting, auditing, and tax services, and other professional fees; trading and hedging expenses, including commissions and brokerage charges; governmental duties and other filing charges; stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares may be marketed in different countries; costs of advertising and marketing; expenses incurred in the issue, switch and redemption of Shares and payment of dividends, registration fees, insurance, banking and other service fees; interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs connected with research, evaluation, measurement, and analysis of portfolio holdings, performance, and the risk of the Sub-funds and any additional programming or research costs incurred in connection with projects for the Sub-Fund’s management (including the costs of Bloomberg and other live market feeds and online research relating to the Sub-Fund); costs of preparing and printing proxies, statements, Share certificates or confirmations of transactions, Shareholders’ reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation for investor relations purposes, remuneration of the Directors, costs incurred in holding the general meetings as well as costs incurred in board meetings e.g. attendance fees (where applicable) for the Directors and reimbursement to the Directors and participants of their reasonable travelling expenses, hotel and other disbursements, including reasonable out-of-pocket expenses inherent in attending meetings of Directors or general meetings of Shareholders of the Sub-Fund; expenses (including insurance costs) incurred by the Directors in the performance of their duties. If any such operating costs are incurred by the Investment Manager on behalf of the Sub-Fund and any other account the Investment Manager manages, such costs shall be borne by the Sub-Fund pro rata with the other such accounts and reimbursed to the Investment Manager.

12. HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled “Applications for Shares” in the Prospectus. In addition to the Application for Shares provisions in the Prospectus, investors in the Sub-Fund must submit their respective applications for Shares by the Dealing Deadline.

13. HOW TO REPURCHASE SHARES

Shareholders wishing to have all or part of their Shares repurchased by the Fund may make a request in accordance with the provisions set out in the section entitled “Repurchase of Shares” in the Prospectus.

14. HOW TO EXCHANGE SHARES

Shareholders wishing to exchange all or part of their Shares for Shares of a New Class may make a request in accordance with the provisions set out in the section entitled “Exchange of Shares” in the Prospectus.
15. REGISTRATION OF SHARES

All Shares will be in registered form. Written confirmation of ownership will be sent to investors that have subscribed for Shares.

16. ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund other than those that are incurred by the Investment Manager will be paid by the Risk Manager.

17. OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.
This Supplement contains specific information in relation to the Carrhae Capital Long/Short Emerging Market Equity UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund will be managed by Carrhae Capital LLP (“Carrhae” or the “Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017, as amended (the “Prospectus”).

The Sub-Fund’s principal economic exposure will be effected through financial derivative instruments, although as described herein the Sub-Fund will make other investments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. INVESTMENT OBJECTIVE AND POLICIES</td>
<td>378</td>
</tr>
<tr>
<td>2. THE TOTAL RETURN SWAPS</td>
<td>381</td>
</tr>
<tr>
<td>3. THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY</td>
<td>382</td>
</tr>
<tr>
<td>4. INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO</td>
<td>382</td>
</tr>
<tr>
<td>5. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS</td>
<td>382</td>
</tr>
<tr>
<td>6. INVESTMENT MANAGER</td>
<td>383</td>
</tr>
<tr>
<td>7. RISK MANAGER</td>
<td>383</td>
</tr>
<tr>
<td>8. BORROWING AND LEVERAGE</td>
<td>384</td>
</tr>
<tr>
<td>9. SUB-CUSTODIAN</td>
<td>384</td>
</tr>
<tr>
<td>10. SERVICE PROVIDER</td>
<td>384</td>
</tr>
<tr>
<td>11. RISK FACTORS</td>
<td>385</td>
</tr>
<tr>
<td>12. DIVIDEND POLICY</td>
<td>388</td>
</tr>
<tr>
<td>13. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES</td>
<td>388</td>
</tr>
<tr>
<td>14. CHARGES AND EXPENSES</td>
<td>391</td>
</tr>
<tr>
<td>15. HOW TO SUBSCRIBE FOR SHARES</td>
<td>394</td>
</tr>
<tr>
<td>16. HOW TO SELL SHARES</td>
<td>394</td>
</tr>
<tr>
<td>17. HOW TO EXCHANGE SHARES</td>
<td>394</td>
</tr>
<tr>
<td>18. ESTABLISHMENT CHARGES AND EXPENSES</td>
<td>394</td>
</tr>
<tr>
<td>19. OTHER CHARGES AND EXPENSES</td>
<td>394</td>
</tr>
</tbody>
</table>
1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with a return linked to the performance of a reference portfolio (the “Reference Portfolio”), described in more detail under the heading Description of the Reference Portfolio at 1.2.1 below.

1.2 Investment Policy

The Sub-Fund is exposed to the economic performance of the Reference Portfolio, which is primarily comprised of long and short equity positions in global equity and equity related securities (as described below) that are either issued by companies located in, or that derive a substantial amount of their income from emerging markets and are listed or traded in the markets outlined in Appendix II of the Prospectus and are described in more detail in Description of the Reference Portfolio at 1.2.1 below, by investing in:

1. one or more total return swaps (the “Portfolio Total Return Swaps”). The Portfolio Total Return Swap will give the Sub-Fund economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. The performance of the Sub-Fund will primarily be determined by the performance of the Reference Portfolio; and

2. directly in securities which comprise the Reference Portfolio.

The Sub-Fund will purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty under an unfunded total return swap (the “Funding Swap”) in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above. The floating rate of return received by the Sub-Fund from the Approved Counterparty under the Funding Swap is expected to be ICE LIBOR USD 1 Month (ie the interest rate at which depository institutions are willing to lend to each other) or any of its successor publication.

1.2.1 Description of the Reference Portfolio

The Reference Portfolio is a notional portfolio representative of a dynamically managed portfolio of investments primarily consisting of long and short equity positions which will be made by the Investment Manager in implementing its strategy (the “Carrhae Investment Strategy”) while employing the investment process as described below. The Reference Portfolio may also consist of other instruments such as fixed income securities, collective investment schemes and financial derivative instruments (“FDIs”) as set out in further detail in Underlying Instruments of the Reference Portfolio below.

Carrhae Investment Strategy

The Carrhae Investment Strategy is a global equity long/short strategy with an emerging markets bias.

The Carrhae Investment Strategy may invest up to 100% of its assets in equities and equity related securities (as described below) issued by companies in, or that derive a substantial amount of their income from, emerging markets. The Carrhae Investment Strategy may also invest in fixed income securities, collective investment schemes and FDIs, as described in the section entitled Underlying Instruments of the Reference Portfolio.

The Sub-Fund considers an emerging market country as a country that is:

1) Included in MSCI Emerging Market Index

The Carrhae Investment Strategy may invest up to 40% of its assets in securities which are not issued by companies in, or that do not derive a substantial amount of their income from, emerging markets.

The Carrhae Investment Strategy seeks to generate returns with much less volatility than emerging
market equities, while aiming to achieve a low level of correlation to asset classes other than emerging market equities. The Carrhae Investment Strategy aims to achieve this by constructing a portfolio of long and short positions with exposure to emerging market equities. The investment approach employed within the Carrhae Investment Strategy seeks to capture mis-pricings in stocks, using thorough fundamental analysis (e.g. assessment of various financial measures such as cash flows, return on equity and price to book ratio for a company), and then seeks to hedge the various macroeconomic risks inherent to the emerging markets (e.g. hedging currency risk by entering into foreign exchange forward contracts, or entering into credit default swaps in order to hedge the political and fiscal risk inherent in an emerging economy or to hedge the risk in price of the equity if there is a default of the issuer, thereby protecting the credit risk component of the equity price of an underlying) in order to reduce volatility relative to holding emerging market positions without such hedging. Further, the Investment Manager capitalises on the experience of its investment team in order to evaluate and take exposure to companies with a market capitalisation of between USD 2 billion and USD 25 billion, where it believes inadequate research coverage and the Investment Manager’s understanding of emerging market equities provides an opportunity to capitalise on security mispricing.

The Reference Portfolio typically looks to maintain a portfolio of 90-100 stocks, with an average gross exposure of 150% - 275% of the Net Asset Value of the Sub-Fund.

The long exposure to equities and equity related securities will generally be between 50% and 150% of the Net Asset Value of the Sub-Fund and short exposure to equities and equity related securities will generally be between 50% and 100% of the Net Asset Value of the Sub-Fund.

**Underlying Instruments of the Reference Portfolio**

Although the Carrhae Investment Strategy focuses on equity and equity-related securities that are publicly traded, it may invest in a range of instruments as set out below at any point of time.

The Reference Portfolio will seek to achieve capital appreciation by investing primarily in equity and equity-related securities including common stock, and preferred shares listed on publicly traded markets referred to in Appendix II of the Prospectus. The Reference Portfolio does not have a specific industry, or sector focus.

The Reference Portfolio may use access notes such as participation notes and warrants issued by registered foreign institutional investors to overseas investors who wish to invest in a restricted market, such as India, Saudi Arabia or China. Such access notes will be primarily listed or traded on one or more of the Markets set out in Appendix II of the Prospectus. Access notes are securities, which are held by a third party broker, the return of which is linked to the performance of underlying listed shares of a company in a market. The access notes in which the Reference Portfolio may invest will not include embedded derivatives or leverage.

In addition to the use of access notes, exposure to China may also be obtained through trading in H Shares listed on the Hong Kong Stock Exchange. Due to the restrictions on foreign entities, such as the Fund, investing in China A-Shares, many entities obtain exposure to Chinese companies by investing in H Shares. H Shares are quoted in Hong Kong Dollars, and are open to investment by Chinese and non-Chinese investors.

The Reference Portfolio may also consist of fixed income securities, collective investment schemes and FDIs, further details of which are set out below.

The fixed income securities in which the Reference Portfolio may invest will be rated above investment grade and may be unrated and may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper. Fixed income securities will be deemed to be investment grade, if they have a rating BBB- and/or above by Standard & Poor’s, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be above investment grade by the Investment Manager. The Reference Portfolio will not invest in below investment grade fixed income securities. The Reference Portfolio will invest in fixed income securities to capitalise on investment opportunities as they arise e.g. taking a long position in fixed income securities that the Investment Manager expects to appreciate. No more than 20% of the net asset value of the Reference Portfolio will be invested in fixed income securities.

The Investment Manager will identify such opportunities by monitoring the relevant markets and undertaking an analysis of liquidity, expected return and potential maximum loss.
No more than 10% of the net asset value of the Reference Portfolio may be invested in either UCITS or eligible AIF collective investment schemes (including regulated ETFs, investment companies, investment limited partnerships, and unit trusts), which provide exposure to listed and unlisted equities and debt securities and are consistent with the investment objective of the Sub-Fund. ETFs may be used by the Reference Portfolio in seeking capital appreciation or for hedging purposes. Typically, an ETF holds a portfolio of common stocks designed to track the performance of a particular index or a “basket” of stocks of companies within a particular industry sector or group. The Reference Portfolio may hedge market / industry risk inherent in individual equities by taking synthetic short exposures to ETFs which seek to track the performance of indices or sectors relevant to such equities. Any such collective investment scheme will not charge annual management fees of in excess of 5% of those underlying funds’ respective net asset values and will be domiciled in the European Economic Area, Jersey, Guernsey, the Isle of Man or the United States.

The Reference Portfolio may, subject to the requirements laid forth by the Central Bank, enter into FDI transactions both for investment, hedging and efficient portfolio management purposes. The Reference Portfolio may utilize equity and equity index options for both investment and hedging purposes. The Reference Portfolio may take long positions synthetically through the use of FDIs. All short positions will be taken by the Sub-Fund through the use of FDI. FDIs include swaps (including credit default swaps), options, futures and options on futures, contracts for differences (CFD) and forward currency exchange contracts. The Reference Portfolio may utilise: (i) equity swaps and CFDs for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) single name or index futures in order to hedge the equity portion of the portfolio from movements in equity markets or individual stocks, as applicable or for investment purposes; (iv) foreign currency exchange options to hedge against underlying currency risk in the Reference Portfolio or for other investment purposes. (v) credit default swaps to hedge the default and macroeconomic risk in respect of certain investments and (vi) options on futures to quantify the potential loss from a contract expiring in a loss position or for investment purposes.

FDIs may be exchange traded or over-the-counter.

The Reference Portfolio may, from time to time, hold all or a portion of its assets in cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances, when opportunities are limited or in other circumstances deemed appropriate by the Investment Manager.

There is no assurance that the Reference Portfolio’s objective will be achieved. The strategy may use all or any of these investment techniques and instruments to pursue its investment objective or for hedging purposes.

1.2.2 General

The Sub-Fund will hold exposure to the Reference Portfolio through the Portfolio Total Return Swaps and direct investment in securities (as described above) comprised in the Reference Portfolio. Investors should note that the Reference Portfolio itself may be leveraged. The ratio of long and short investments (which in the case of long and short investments will be primarily equity and equity-related securities) may vary through time as long positions may form the majority of portfolio positions at certain times and short positions may form the majority at others. Under normal market conditions, the Sub-Fund’s gross exposure as taken through the Portfolio Total Return Swaps including leverage inherent in the Reference Portfolio will generally have a long term average of 150% to 275%. Further, in a volatile market environment, the Investment Manager may decrease the Sub-Fund’s gross exposure dramatically.

The Sub-Fund will be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years.

The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives
positions is expected to be generally between 250% and 375% (including leverage inherent in the Reference Portfolio and the notional of the Funding Swap) of the Net Asset Value of the Sub-Fund. As outlined in section 1.2 above, the Fund will transfer the economic interest of the Funding Assets to the Approved Counterparty and the Fund will not have any exposure to the Funding Assets. Accordingly, while it is necessary to take into account the notional of the Funding Swap when calculating the Fund’s gross leverage using the sum of the notional, this is not included when calculating the Fund’s gross exposure, hence the difference in the expected gross leverage of the Fund as compared with the expected gross exposure of the Fund.

The Sub-Fund may retain amounts in cash or investment grade cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances), pending re-investment, or for use as collateral, arising from the Sub-Fund’s use of FDIs if this is considered appropriate to the investment objective.

The Sub-Fund may not enter into fully funded swaps.

The Sub-Fund and the Reference Portfolio will only utilise those derivatives that are listed in the risk management process in respect of the Sub-Fund and that have been cleared by the Central Bank.

The Sub-Fund may enter into FDI transactions, such as forward currency exchange contracts to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes as described under Classes of Shares below. For further information in respect of forward currency exchange contracts please see the section entitled Information on the Financial Derivative Instruments below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank’s guidance titled UCITS Financial Derivative Instruments and Efficient Portfolio Management prior to the Sub-Fund engaging in using such FDIs.

Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a long-term appreciation of capital. Shares in the Sub-Fund will be available to both retail and institutional investors.

2 THE TOTAL RETURN SWAPS

The Sub-Fund uses two total return swaps, the Portfolio Total Return Swap and the Funding Swap (as defined below) (together, the “Swaps”). The Approved Counterparty in respect of the Swaps will be Morgan Stanley or any of its affiliate or subsidiary that is a UCITS eligible counterparty (the “Approved Counterparty” or “Morgan Stanley”).

There are two strategic components to the Swaps: (1) to gain exposure to the economic performance of the Reference Portfolio as described above; and (2) to transfer the economic interest in the “Funding Assets” (as described below) to the Approved Counterparty.

It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Funding Assets other than in the event of a default by the Approved Counterparty under the terms of the Funding Swap.

2.1 The Portfolio Total Return Swap

The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. The Portfolio Total Return Swap will be provided by the Approved Counterparty.

2.2 The Funding Swap

The Sub-Fund will purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty pursuant to the Funding Swap in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty.
This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

“Funding Assets” will include equity securities and other securities with equity characteristics, including preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Portfolio. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below “investment grade” by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager. Funding Assets also include other collective investment schemes having similar investment objectives and policies to the Sub-Fund and ETFs, however, the Sub-Fund will not invest more than 10% of its Net Asset Value in such schemes. The Investment Manager will determine which securities are included within the Funding Assets.

Funding Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be so listed or traded as they are permitted unlisted investments.

The Approved Counterparty will provide collateral to the Sub-Fund to ensure that the Sub-Fund's risk exposure to the Approved Counterparty does not exceed the level required by the Central Bank. The collateral will be in the form required by the Central Bank.

3 THE APPROVED COUNTERPARTY AND THE HEDGING STRATEGY

Morgan Stanley may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by Morgan Stanley in implementing its hedging strategy (including costs and fees of the Investment Manager in relation thereto) paid or reimbursed by Morgan Stanley will ultimately be borne by the Sub-Fund as costs under the terms of the Swap.

4 INVESTMENT RESTRICTIONS OF THE REFERENCE PORTFOLIO

The general investment restrictions as set out in the Prospectus shall apply. The Directors may, from time to time, impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

5 INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include credit default swaps, interest rate swaps, total return swaps and currency swaps. The “buyer” in a credit default 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 obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. A total return swap or a contract for differences is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency.

Options. Options may be traded over-the-counter or OTC options. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to
deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

**Forward Currency Exchange Contracts**. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Further, the Sub-Fund’s exposure to securities financing transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps</td>
<td>250%</td>
<td>400%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreements</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### 6 INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is Carrhae Capital LLP.

The Investment Manager was incorporated on 1 June 2011 as a limited liability partnership with its principal place of business located at 39 St James's Street, London, SW1A 1JD. The Investment Manager is authorised and regulated by the Financial Conduct Authority and as at 30 September 2017 the Investment Manager had approximately USD 850 million assets under management.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an investment management agreement between the Fund and the Investment Manager dated 24 October 2017, as may be amended from time to time (the "Investment Management Agreement").

The Investment Management Agreement provides that the Investment Manager shall be responsible for loss to the Fund to the extent such loss is due to negligence (whether through an act or omission), willful default or fraud by the Investment Manager, its directors, officers, servants, employees, agents and appointees in connection with the Investment Management Agreement. The Investment Manager shall also be liable to the Fund for contractual breach of the Investment Management Agreement. The Investment Manager shall indemnify and keep indemnified and hold harmless the Fund in the circumstances set out in the Investment Management Agreement.

The Investment Management Agreement shall continue in force until terminated pursuant to the Investment Management Agreement. Either party may terminate the Agreement on giving not less than three months’ prior written notice (or such other period as may be agreed between the parties). The Investment Management Agreement may be terminated at any time in the circumstances set out in the Investment Management Agreement.

### 7 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), Morgan Stanley & Co. International plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management
processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Agreement on giving not less than 90 days’ written notice at any time. The Agreement may also be terminated at any time in the circumstances set out in the Agreement.

8 BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will be leveraged through the use of FDI. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years.

The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be generally between 250% and 375% (including leverage inherent in the Reference Portfolio) of the Net Asset Value of the Sub-Fund, and leverage will be calculated on a daily basis.

The maximum gross notional exposure of the Sub-Fund of 400% of the Net Asset Value of the Sub-Fund is comprised of the following elements: (i) up to 100% of Net Asset Value under the Portfolio Total Return Swap, which in turn provides exposure to the Reference Portfolio. The Reference Portfolio has maximum gross notional exposure of up to 300% of Net Asset Value. This results in up to 300% of gross notional exposure under the Portfolio Total Return Swap; and (ii) up to 100% of Net Asset Value under the Funding Swap.

9 SUB-CUSTODIAN

Pursuant to an agreement dated 24 October 2017, as may be amended from time to time (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSI plc”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the FCA in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless MSI plc’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, willful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to the Depositary or any of its affiliates.

365
10 SERVICE PROVIDER

The Fund has appointed MSI plc (the “Service Provider”) to provide certain services (being the services set out in the paragraph immediately below) to the Fund as Service Provider pursuant to a services agreement dated 24 October 2017 in respect of the Sub-Fund, as may be amended from time to time (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) agree to provide certain services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities. The Service Provider does not have discretion over the Sub-Fund’s assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Sub-Fund.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

11 RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

11.1 Absence of Prior Active Market

The Sub-Fund is new and thus has no operating history. Past performance of the Investment Manager or its affiliates is not indicative of the future performance of the Sub-Fund.

11.2 Emerging Markets

Investors are referred in particular to the description and risks related to Emerging Markets in section 16.12 of the Prospectus.

11.3 Equity Investment Risk

The Sub-Fund will purchase equity securities and hence is subject to the risk that stock prices will fall over short or extended periods of time. The Sub-Fund will also sell equity securities short synthetically using CFDs and hence is subject to the risk that stock prices will rise over short or extended periods of time. Investors can potentially lose all, or a substantial portion, of their investment in the Sub-Fund.

11.4 Currency Risk

The Base Currency of the Sub-Fund is USD. Shareholders may subscribe in USD, Euro, Pound Sterling, Swiss Franc or Swedish Krona into the USD, EUR, GBP SEK or CHF denominated Share Classes respectively.

The CHF, GBP, SEK, USD and EUR denominated Shares are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share classes.

Depending on an investor’s currency of reference, currency fluctuations between that currency and the base currency of the Sub-Fund may adversely affect the value of an investment in the Sub-Fund.

Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

11.5 IPO Securities

The Reference Portfolio and the Sub-Fund may purchase securities of companies in initial public offerings (“IPO securities”) or shortly thereafter. Special risks associated with these securities may
include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history.

11.6 Market Capitalization Risk

The Reference Portfolio may invest in certain companies regardless of the issuer’s market capitalization. Such investments may include companies having smaller market capitalizations, such as mid-cap and small-cap stocks. The stocks of these companies often have less liquidity than the stocks of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines, and fewer resources than larger companies. Due to these and other factors, stocks of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the stocks of larger companies.

11.7 Performance Fee – No Equalisation

The methodology used in calculating the performance fees in respect of the Class S Shares, Class P Shares, Class I Shares and Class B Shares and Class A Shares (as defined herein) may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the performance fee calculation).

11.8 Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI, repo or securities lending agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund aims to mitigate its credit risk to its counterparties by receiving collateral but, to the extent that any FDI is not collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process in respect of the Sub-Fund.

11.9 Investment in other collective investment schemes

The Sub-Fund may purchase shares of other collective investment schemes. As a shareholder of another collective investment scheme, the Sub-Fund would bear, along with other shareholders, its pro rata portion of the other collective investment scheme’s expenses, including management fees. These expenses would be in addition to the expenses that the Sub-Fund would bear in connection with its own operations. Investment in other collective investment schemes may also result in a lack of transparency with respect to investments in which the Sub-Fund has an indirect interest.

11.10 Possible Adverse Tax Consequences

The Investment Manager cannot assure any investor that the relevant, applicable tax authorities (each a "Tax Authority") will accept the tax positions taken by the Investment Manager and/or the Sub-Fund. If any Tax Authority successfully contests a tax position taken by the Investment Manager and/or the Sub-Fund, the Investment Manager and/or the Sub-Fund may be liable for tax, interest or penalties and the investors may need to file or amend one or more tax returns.

11.11 Futures

Futures prices may be volatile. This volatility may lead to substantial risks and returns, possibly much larger than in the case of equity or fixed income investments. The Reference Portfolio may trade futures on a leveraged basis. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Reference Portfolio.

Futures trading may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Reference Portfolio from promptly liquidating unfavourable positions, subjecting the
Reference Portfolio to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For the purposes of complying with speculative position limits, the Reference Portfolio's outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Investment Manager or any agent of the Investment Manager. As a result, the Reference Portfolio may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures.

Some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists and a trader may have limited recourse with respect to a contract. In addition, unless the Reference Portfolio hedges against fluctuations in the exchange rate between the US dollar (being the Base Currency of the Sub-Fund) and other currencies in which trading is done on non-U.S. exchanges, any profits that the Reference Portfolio realises in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Reference Portfolio could incur losses as a result of those changes.

11.12 **Options**

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

11.13 **Dependence on Key Individuals**

The success of the Sub-Fund depends upon the ability of the principals of the Investment Manager and in particular the capability of the chief investment officer of the Investment Manager.

If the principals of the Investment Manager or its chief investment officer were to become unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

11.14 **Conflicts of Interest**

The Investment Manager (and their principals, directors, shareholders, affiliates or employees) serves or may serve as investment manager or investment advisor to other client accounts and conduct investment activities for their own accounts (such entities and accounts are referred to collectively as the “Other Clients”). Such Other Clients may have investment objectives or may implement investment strategies similar to those of the Sub-Fund.

The Investment Manager (or its principals, directors, shareholders, affiliates or employees) may give advice or take action with respect to such Other Clients that differs from the advice given with respect to the Sub-Fund. It may not always be possible or consistent with the investment objectives of the Other Clients and of the Sub-Fund for the same investment positions to be taken or liquidated at the same time or at the same price.

In addition, purchase and sale transactions (including swaps) may be effected between the Sub-Fund and Other Clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commission or fee (except for customary transfer fees or fees paid to a third party broker) or other remuneration shall be paid in connection with any such transaction.

The Investment Manager (and its principals, directors, shareholders, affiliates or employees) may conduct any other business including any business within the securities industry.

Because the Investment Manager may receive higher performance-based compensation or management fees from certain Other Clients, or the Investment Manager or its partners, principals or employees, or its affiliates may have made significant investments in certain Other Clients, the Investment Manager may have a conflict of interest when allocating investments between the Sub-Fund and the Other Clients. From the standpoint of the Sub-Fund, simultaneous identical portfolio transactions for the Sub-Fund and the Other Clients may tend to decrease the prices received, and
increase the prices required to be paid, by the Sub-Fund for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Sub-Fund and the Other Clients in an equitable manner as determined by the Investment Manager.

As a result of the foregoing, the Investment Manager (and its members, principals, partners, officers, directors, employees and affiliates) may have conflicts of interest in allocating their time and activity between the Sub-Fund and the Other Clients, in allocating investments among the Sub-Fund and the Other Clients and in effecting transactions between the Sub-Fund and the Other Clients, including ones in which the Investment Manager (and its principals) may have a greater financial interest.

The Investment Manager will use its best efforts in connection with the purposes and objectives of the Sub-Fund and will devote so much of its time and effort to the affairs of the Sub-Fund as, in its judgment, may be necessary to accomplish the purposes of the Sub-Fund. The Investment Management Agreement specifically provides that the Investment Manager (and its principals and its affiliates) may conduct any other business including any business within the securities industry whether or not such business is in competition with the Sub-Fund. Without limiting the generality of the foregoing, the Investment Manager (and its principals) may act as investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. The Investment Management Agreement also recognizes that it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Sub-Fund for the same investment positions to be taken or liquidated at the same time or at the same price.

12 DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant class of Shares.

13 KEY INFORMATION FOR PURCHASES AND SALES OF SHARES

Base Currency

USD

Classes of Shares

Shares in the Sub-Fund will be available in different classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Management Charge</th>
<th>Performance Fee</th>
<th>Minimum Subsequent Subscription/Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>US Dollar</td>
<td>No</td>
<td>$1,000</td>
<td>$10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>£10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A Swiss</td>
<td>Swiss</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF10,000</td>
<td>2.00%</td>
<td>20%</td>
<td>CHF1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>----------</td>
<td>--------</td>
<td>-------</td>
<td>-------------------</td>
<td>----------------------------------</td>
<td>--------------------------</td>
<td>---------------------------------------</td>
<td>----------</td>
<td>----------------------</td>
</tr>
<tr>
<td>CHF</td>
<td>Shares</td>
<td>Class A</td>
<td>SEK 1,000</td>
<td>SEK 100,000</td>
<td>2.00%</td>
<td>20%</td>
<td>SEK 10,000</td>
<td>N/A</td>
</tr>
<tr>
<td>SEK</td>
<td>Shares</td>
<td>Class I</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.50%</td>
<td>20% €10,000</td>
<td>1,000 Shares</td>
</tr>
<tr>
<td>USD</td>
<td>Shares</td>
<td>Class I</td>
<td>No</td>
<td>$1,000</td>
<td>US$1,000,000</td>
<td>1.50%</td>
<td>20%</td>
<td>$10,000</td>
</tr>
<tr>
<td>GBP</td>
<td>Shares</td>
<td>Class I</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.50%</td>
<td>20%</td>
<td>£10,000</td>
</tr>
<tr>
<td>CHF</td>
<td>Shares</td>
<td>Class I</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>1.50%</td>
<td>20%</td>
<td>CHF10,000</td>
</tr>
<tr>
<td>SEK</td>
<td>Shares</td>
<td>Class I</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 10,000,000</td>
<td>1.50%</td>
<td>20%</td>
<td>SEK 100,000</td>
</tr>
<tr>
<td>EUR</td>
<td>Shares</td>
<td>Class P</td>
<td>Yes</td>
<td>€1,000</td>
<td>€250,000</td>
<td>1.50%</td>
<td>20%</td>
<td>€10,000</td>
</tr>
<tr>
<td>USD</td>
<td>Shares</td>
<td>Class P</td>
<td>No</td>
<td>$1,000</td>
<td>US$250,000</td>
<td>1.50%</td>
<td>20%</td>
<td>$10,000</td>
</tr>
<tr>
<td>GBP</td>
<td>Shares</td>
<td>Class P</td>
<td>Yes</td>
<td>£1,000</td>
<td>£250,000</td>
<td>1.50%</td>
<td>20%</td>
<td>£10,000</td>
</tr>
<tr>
<td>CHF</td>
<td>Shares</td>
<td>Class P</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF 250,000</td>
<td>1.50%</td>
<td>20%</td>
<td>CHF10,000</td>
</tr>
<tr>
<td>SEK</td>
<td>Shares</td>
<td>Class P</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 2,500,000</td>
<td>1.50%</td>
<td>20%</td>
<td>SEK 100,000</td>
</tr>
<tr>
<td>EUR</td>
<td>Shares</td>
<td>Class B</td>
<td>Yes</td>
<td>€1,000</td>
<td>€1,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>€10,000</td>
</tr>
<tr>
<td>USD</td>
<td>Shares</td>
<td>Class B</td>
<td>No</td>
<td>$1,000</td>
<td>$1,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>$10,000</td>
</tr>
<tr>
<td>GBP</td>
<td>Shares</td>
<td>Class B</td>
<td>Yes</td>
<td>£1,000</td>
<td>£1,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>£10,000</td>
</tr>
<tr>
<td>CHF</td>
<td>Shares</td>
<td>Class B</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF1,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>CHF10,000</td>
</tr>
<tr>
<td>SEK</td>
<td>Shares</td>
<td>Class B</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 10,000,000</td>
<td>1.25%</td>
<td>15%</td>
<td>SEK 100,000</td>
</tr>
<tr>
<td>Class</td>
<td>Currency</td>
<td>Yes/No</td>
<td>Subscription Amount</td>
<td>Dividend</td>
<td>Repurchase Amount</td>
<td>Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>----------</td>
<td>--------</td>
<td>---------------------</td>
<td>----------</td>
<td>------------------</td>
<td>--------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class S EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>1.00%</td>
<td>€500,000</td>
<td>5,000 Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class S GBP Shares</td>
<td>Pound Sterling</td>
<td>Yes</td>
<td>£1,000</td>
<td>1.00%</td>
<td>£500,000</td>
<td>5,000 Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class S USD Shares</td>
<td>No</td>
<td>$1,000</td>
<td>$500,000</td>
<td>1.00%</td>
<td>$500,000</td>
<td>5,000 Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class S CHF Shares</td>
<td>Yes</td>
<td>CHF1,000</td>
<td>CHF5,000,000</td>
<td>1.00%</td>
<td>CHF10,000</td>
<td>5,000 Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class S SEK Shares</td>
<td>Yes</td>
<td>SEK 1,000</td>
<td>SEK 50,000,000</td>
<td>1.00%</td>
<td>SEK 100,000</td>
<td>50,000 Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class M USD Shares</td>
<td>No</td>
<td>$1,000</td>
<td>$500,000</td>
<td>N/A</td>
<td>N/A</td>
<td>5,000 Shares</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class S EUR Shares, Class S USD Shares, Class S GBP Shares, Class S CHF and Class S SEK Shares will be the seed investment Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$200 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion.

Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

The Class B EUR Shares, Class B USD Shares, Class B GBP Shares, Class B CHF and Class B SEK Shares will be the early bird Share Classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the Sub-Fund reach US$500 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion.

Confirmation can be obtained from the Distributor as to whether any of these Share Classes are currently being offered for subscription at any time after the initial offer period set out below.

Class M USD Shares are only available to investors who have agreed separate fee arrangements with the Investment Manager.

The EUR, CHF, SEK and GBP denominated Share classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. The cost and fiscal results of any such currency hedging will be solely for the account of the relevant Shares. Investors in EUR, CHF, GBP and GBP denominated Share classes are referred to the description and risks related to Currency Hedged Share Classes in section 16.5 of the Prospectus.

Investors must subscribe into a Share class in the currency in which that Share class is denominated.

Repurchase payments are also made in the currency in which the relevant Share class is denominated.

The Directors may, in their discretion, following consultation with the Investment Manager, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period**

The initial offer period for the all share classes shall be from 9.00 a.m. (Irish time) on 25 October 2017.
until 5:30 p.m. (Irish time) on 24 April 2018 (the “Initial Offer Period”) as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Business Day

Every day (except legal public holidays in the United Kingdom, United States or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland, United States and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.

Dealing Day

Every Friday (except legal public holidays in the United Kingdom, United States or Ireland or days on which the stock markets in London or New York are closed) during which banks in Ireland, United States and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

Dealing Deadline

In the case of subscriptions, 12 noon Irish time 1 Business Day prior to the relevant Dealing Day.

In the case of redemptions, by 12 noon Irish time, 5 Business Days prior to the relevant Dealing Day.

The Directors may, in their discretion, following consultation with the Investment Manager and on an exceptional basis only, waive the Dealing Deadline provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

Settlement Date

In the case of subscriptions, within 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

Valuation Point

Close of business on the relevant Dealing Day in relevant markets.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day after the Dealing Deadline which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

14 CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class A EUR Shares, Class A USD Shares, Class A GBP Shares, Class A CHF Shares and Class A SEK Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

With respect to Class P EUR Shares, Class P USD Share, Class P GBP Shares, Class P CHF Shares
and Class P SEK Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

The Sub-Fund may on any Dealing Day require a Shareholder to pay a charge for the exchange of Shares of a class of up to 3% of the total repurchase price of the Shares of the Original Class on that Dealing Day where the Shares of the Original Class are Class A EUR Shares, Class A USD Shares, Class A GBP Shares, Class A CHF Shares or Class A SEK Shares.

No repurchase charge shall be payable in respect of the Shares.

Notwithstanding the provisions of the Prospectus, no anti-dilution levy will apply to any subscriptions or redemptions in respect of the Sub-Fund.

Management Charge

The Fund will pay to the Investment Manager from the assets attributable to each class of Shares of the Sub-Fund the following fees which are based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

1.50% per Class I EUR Shares, Class I USD Shares, Class I GBP Shares, Class I CHF Shares and Class I SEK Shares (collectively the “Class I Shares”)

1.50% per Class P EUR Shares, Class P USD Shares, Class P GBP Shares, Class P CHF Shares and Class P SEK Shares (collectively the “Class P Shares”)

2.0% per Class A EUR Shares, Class A USD Shares and Class A GBP Shares, Class A CHF Shares and Class A SEK Shares (collectively, the “Class A Shares”)

1.25% per Class B EUR Shares, Class B GBP Shares, Class B USD Shares, Class B CHF Shares and Class B SEK Shares (collectively the “Class B Shares”)

1.0% per Class S EUR Shares, Class S USD Shares, Class S GBP Shares, Class S CHF Shares and Class S SEK Shares (collectively the “Class S Shares”)

No management fee is payable in respect of the Class M USD Shares.

Performance Fee

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the “Performance Fee”) is payable in total to the Investment Manager, of 10% in respect of the Class S Shares, 15% in respect of Class B Shares and of 20% in respect of the Class A Shares, Class P Shares and the Class I Shares; of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”.

“Performance Fee Payment Date” shall mean the date at which the Performance Fee crystallised during a Calculation Period is paid. The Performance Fee Payment Date will be within 14 calendar days of the end of the relevant Calculation Period.

For the first Calculation Period, the “High Water Mark Net Asset Value” means the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The relevant initial offer price will be taken as the starting price for the calculation of the initial Performance Fee for a Share Class.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period. With regard to redemptions, the High Water Mark Net Asset Value for a Share Class is decreased by an amount equal to the percentage which such redemptions represent of the Net Asset Value of the Class on the relevant Dealing Day (i.e., if a
redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%). With regard to subscriptions, the High Water Mark Net Asset Value for a Share Class is increased by an amount equal to the value of the subscription.

For each subsequent Calculation Period for a Share Class, the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee shall be equal to 10% for Class S, 15% for Class B and 20% for the Class I, Class P and Class A Shares of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period.

No Performance Fees are payable in respect of Class M USD Shares.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the High Water Mark Net Asset Value on which a performance fee was paid. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on or before the Performance Fee Payment Date to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Performance Fee is calculated by the Administrator and verified by the Depositary.

It should be noted that as the Net Asset Value may differ between Share Classes, separate Performance Fee calculations will be carried out for separate Share Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.

Risk Management, Administrator’s and Depositary’s Fees

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee, which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and Depositary in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.
Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. There will not be Distribution Fees charged to the Sub-Fund, and fees of the Distributor will be paid by the Investment Manager out of the Management Charge.

15 HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

16 HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

17 HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

18 ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund will be paid by the Promoter.

19 OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.

20 OTHER INFORMATION

MSI plc may, at its discretion, invest in the Sub-Fund from time to time. Any MSI plc investment in the Sub-Fund is subject to the same rights and obligations as those of the other Shareholders. A MSI plc investment may be made in any class of Shares. Such MSI plc investments could constitute a substantial percentage of the Sub-Fund’s net assets from time to time. Any seed investor that is also a swap counterparty, including MSI plc, may hedge its seed investment, if any, by offsetting its position as swap counterparty (where the transaction is on the performance of the Reference Portfolio) with the Sub-Fund.
This Supplement contains specific information in relation to the **Smartfund 80% Protected Balanced Fund** (the “**Sub-Fund**”), a sub-fund of **FundLogic Alternatives plc** (the “**Fund**”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “**Central Bank**”) pursuant to the Regulations. The Sub-Fund will be managed by FundLogic SAS (the “**Investment Manager**”). The Investment Manager has appointed Smart Investment Management Limited to act as sub-investment manager to the Sub-Fund (the “**Sub-Investment Manager**”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “**Prospectus**”).

The **Sub-Fund’s** principal economic exposure may be effected through financial derivative instruments.

An investor should consider their investment decision carefully before allocating a substantial proportion of an investment portfolio to the **Sub-Fund**.

The Directors of the Fund whose names appear in the section entitled **Directors of the Fund** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES .......................................................... 3
2. APPROVED COUNTERPARTY ............................................................................. 8
3. UNFUNDED TOTAL RETURN SWAPS ................................................................. 8
4. THE HEDGING STRATEGY ............................................................................... 10
5. INVESTMENT RESTRICTIONS OF THE PORTFOLIO ...................................... 10
6. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS ...................... 10
7. INVESTMENT MANAGER ............................................................................... 10
8. SUB-INVESTMENT MANAGER ........................................................................ 11
9. STRATEGY MANAGER ................................................................................. 11
10. SUB-CUSTODIAN ............................................................................................ 12
11. SERVICE PROVIDER ...................................................................................... 12
12. RISK MANAGER ............................................................................................. 12
13. BORROWING AND LEVERAGE ...................................................................... 12
14. RISK FACTORS ............................................................................................... 13
15. DIVIDEND POLICY ........................................................................................ 15
16. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ............ 15
17. CHARGES AND EXPENSES ......................................................................... 16
18. HOW TO SUBSCRIBE FOR SHARES .............................................................. 17
19. HOW TO SELL SHARES ................................................................................. 17
20. HOW TO EXCHANGE SHARES .................................................................... 17
21. ESTABLISHMENT CHARGES AND EXPENSES ......................................... 18
22. OTHER CHARGES AND EXPENSES ............................................................... 18
23. OTHER INFORMATION ................................................................................. 18
1 INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with long term exposure to the performance of the Portfolio Strategy with 80% of the highest NAV per Share Class (from the launch of the Sub-Fund onwards) being protected as a minimum exit Net Asset Value (the “Minimum Target NAV”).

1.2 Investment Policy

The portfolio strategy (the “Portfolio Strategy”) consists of long and short positions in a portfolio of securities and other assets as set out below whose composition is determined from time to time by the Sub-Investment Manager (the “Reference Strategy”) and exposure to an effective overnight interest rate for the British Pounds Sterling (the “Cash Component”) – allocated in accordance with a risk control strategy as set out under “Risk Control Mechanism” below and with an aim of protection of 80% of the highest NAV per Share Class (from the launch of the Sub-Fund onwards) being protected as a minimum exit Net Asset Value though exposure to a put option (the “Put Option”). The overnight interest rate used for the Cash Component will be the sterling overnight interest rate (i.e. the weighted average interest rate to four decimal places of all unsecured sterling overnight cash transactions brokered through WMBA member firms between 00:00 hrs and 16:15 hrs UK time with all counterparties in a minimum size of £25 million) minus a fixed spread (which is a set rate agreed with the Approved Counterparty). The Sub-Fund will gain exposure to the Portfolio Strategy and the Put Option through one or more unfunded total return swaps with the Approved Counterparty (collectively the “Portfolio Total Return Swap”).

1.2.1 Description of Reference Strategy

The Reference Strategy consists of a portfolio with exposure to the asset classes of fixed income, equities, foreign exchange and alternative assets (private equity listed or traded on markets mentioned in Appendix II of the prospectus, commodities and real estate; exposure to private equity, commodities and real estate will be achieved through regulated exchange traded funds (“ETFs”) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS, and through eligible indices). The Reference Strategy does not have any particular geographical or industry focus.

The Reference Strategy will obtain exposure to such asset classes in the following manner:

(a) Fixed Income

(i) Direct investment in fixed income securities, such as bonds and money market instruments (such as short and medium-term treasury bills and treasury notes, and certificates of deposit and bankers’ acceptances), which are issued by corporate or government issuers (including those located in emerging markets), which are fixed or floating rate, rated investment grade or below investment grade or unrated and listed or traded on the Markets referred to in Appendix II of the Prospectus;

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to fixed income securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS; and

(iii) Total return swaps (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference direct or indirect fixed income investments set out in (i) and (ii) above or eligible indices which are comprised of fixed income investments set out in (i) above.

(iv) Total return swaps (with the Strategy Manager as counterparty) which reference absolute return strategies that invest in fixed income investments or financial derivative instrument on fixed income investments or set out in (i) and (ii) above. There are 2 such strategies as described below to which the Reference Strategy may be exposed based on the Sub-Investment Manager’s risk and return
expectations from each strategy:

1. 5% Volatility Controlled Enhanced Forward Rate Bias (USD) : The strategy aims to capture the difference between the current prediction of interest rates, as represented by interest rate forwards trading in the market at present and the actual interest rates in the future (which based on historical observation will not be the same. The strategy invests in short term interest rate futures (exposure to which will be adjusted to maintain an annualised volatility of 5%) based on the level and volatility of Fed Funds Effective Rate.

2. 5% Volatility Controlled Enhanced Forward Rate Bias (EUR) : The strategy aims to capture the difference between the current prediction of interest rates, as represented by interest rate forwards trading in the market at present and the actual interest rates in the future (which based on historical observation will not be the same. The strategy invests in short term interest rate futures (exposure to which will be adjusted to maintain an annualised volatility of 5%) based on level and volatility of 3 month EONIA.

Each of the above mentioned strategies in (iv) are developed and operated by Morgan Stanley & Co. International plc (the “Strategy Manager”) as described in section 9 below. The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

In order to protect the Reference Strategy (and the Sub-Fund) against a rise in interest rates, which would generally lead to a decrease in the value of the assets as described in (a) (i), (ii) (iii) and (iv) above, the Sub-Fund may as part of the Reference Strategy obtain exposure to UCITS eligible indices that provide short exposure to derivative instruments known as bond futures. In the event of an increase in interest rates, the value of the futures contracts is expected to decrease and thus the Reference Strategy may benefit from having a position in such UCITS eligible indices. The Reference Strategy may have an allocation of up to 100% to these indices.

(b) Equities

(i) Direct investment in equity and equity related securities, including common and preferred stock (American Depositary Receipts (“ADRs”)) and (Global Depositary Receipts (“GDRs”)), which are issued by corporate issuers (including those located in emerging markets), which are listed or traded on the Markets referred to in Appendix II of the Prospectus (with no specific industry or capitalisation focus);

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to equity securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS; and

(iii) Total return swaps and options (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference direct or indirect equities investments set out in (i) and (ii) above or eligible indices which are comprised of equity investments set out in (i) above.

(iv) Total return swaps (with the Strategy Manager as counterparty) which reference absolute return strategies that invest in equity securities or financial derivative instrument on equity securities as set out in (i) and (ii) above. There are 5 such strategies as described below to which the Reference Strategy may be exposed in the sole discretion of the Sub-Investment Manager based on expectations of the risk and return from each strategy, with a maximum allocation of 15% of net asset value to any one strategy, save for the Morgan Stanley CUBE Equity Risk Premium strategy for which there is a maximum allocation of 40% of net asset value:

1. Long/Short Scientific Beta Multi-Beta Multi-Strategy : The strategy aims to capture the performance of a portfolio of stocks selected using factors like mid cap, high momentum, low volatility and value over the broader equity market. The strategy can have long exposure of up to 100% and short exposure of up to 100% of net assets. The Reference Strategy will only have exposure to the short positions synthetically.

2. Dividend Seeker Hedge: The strategy takes exposure in stocks ahead of their dividend declaration date (ex-date). The strategy can have long exposure of up to 100% and short exposure of up to 150% of net assets.
3. PanEurope Dynamic MEMO: The strategy aims to take exposure to European equities around the end of month to capture possibility of price increases during the period due to higher month end trading volumes on the relevant stock markets. The strategy only takes long exposure.

4. Target Equity Strategy: The strategy aims to take long positions in undervalued stocks, as identified by the valuation metrics like earning based valuation and dividend yield used by private equity investors and corporate buyers.

5. Morgan Stanley CUBE Equity Risk Premium: Morgan Stanley CUBE Equity Risk Premium strategy is an equity strategy designed to allocate exposure across the following investment styles:

   a. Value (investing in securities across asset classes that are cheaper relative to their peers)
   b. Momentum (investing in equities that have outperformed in the past)
   c. Low volatility bias (investment in equities with low volatility as measured by the annualised variation of 6 month historical daily returns)
   d. Size (investment in mid or small capitalisation equities)
   e. Quality (investment in equities that are deemed profitable, operational and financially efficient)

Each of the above mentioned strategies in (iv) are developed and operated by Morgan Stanley & Co. International plc (the "Strategy Manager"). The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

(c) Foreign Exchange

(i) Swaps, options, futures and options on futures and forward currency exchange contracts (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference foreign exchange rates or currencies and eligible indices with exposure to foreign exchange rates or currencies.

(ii) Total return swaps (with the Strategy Manager as counterparty) which reference absolute return currency strategies. There are 2 such strategies as described below to which the Reference Strategy may be exposed in the sole discretion of the Sub-Investment Manager based on its expectations of the risk and return from each strategy, with a maximum allocation of 15% of net asset value to any one strategy:

1. Developed Market Positioning Strategy: The strategy aims to take long exposure to currencies with higher open buy positions than sell positions in the futures market and short exposure to currencies with higher open sale position than buy position in the futures market. The Strategy employs long and short positions in currency futures and can take up to 100% exposure in long futures and up to 100% exposure in short currency future positions.

2. Enhanced Currency Carry Optimised USD: The strategy aims to capture the difference between the current prediction of currency rates, as represented by currency forwards trading in the market at present and the actual currency in the future (which based on historical observation will not be the same). The strategy invests in one month currency forwards for G10 currencies.

Each of the above mentioned strategies in (ii) is developed and operated by Morgan Stanley & Co. International plc (the “Strategy Manager”). The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

(d) Alternative Assets

(i) Indirect investment through regulated investment funds (including ETFs) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings equivalent to UCITS which provide exposure to alternative assets (private equity, commodities and real estate);

(ii) Indirect investment through exchange traded certificates which are eligible transferable securities
providing indirect exposure to commodities. Such exchange traded certificates do not embed leverage or a derivative and are listed or traded on the Markets referred to in Appendix II of the Prospectus; and

(iii) Total return swaps (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) (with the Strategy Manager as counterparty) which reference absolute return strategies. There is 1 such strategy as described below. Based on the Sub-Investment Manager’s expectation of risk and return, the Reference Strategy may have an allocation of up to 45% of net asset value to the below mentioned strategy:

1. Morgan Stanley CUBE Cross Asset Risk Premium: Morgan Stanley CUBE Cross Asset Risk Premium is a cross-asset strategy designed to achieve exposure across asset classes (as set out above in para (1) of this section 1.2.1) following the below mentioned investment styles:

1. Value (investing in securities across asset classes (as set out above in para (1) of this section 1.2.1) that are cheaper relative to their peers)
2. Momentum (the strategy takes long and short positions in a basket of underlying assets based on their relative returns in a calendar year. If an underlying asset has performed positively in comparison to other assets in its asset class, a long position on the underlying asset is taken and if an underlying asset has performed negatively in comparison to other assets in its asset class, a short position on the underlying asset is taken).
3. Carry (the strategy aims to capture the difference between the current prediction of price of an asset, as represented by the underlying forwards on the asset trading in the market at present and the actual asset price in the future)
4. Trend (the strategy takes long and short positions in a basket of underlying assets based on their returns in a calendar year. If the return is positive, a long position on the underlying asset is taken and if the return is negative, a short position on the underlying asset is taken. While the “Momentum” investment style is based on relative positive or negative performance of the assets, the “Trend” investment style is based on absolute positive or negative performance).

Morgan Stanley CUBE Cross Asset Risk Premium can invest in securities and financial derivative instruments as set out in more detail in section 6 “Information on Financial Derivative Instruments” below:

(e) Long and short positions in future contracts, on equities, interest rates, equity indices and currencies and options relating to such future contracts, traded on recognized exchanges as listed in Appendix II of the Prospectus;

(f) Direct investment in equities and bonds that are issued by corporate issuers (including those located in emerging markets), which are listed or traded on the Markets referred to in Appendix II of the Prospectus (with no specific industry or capitalisation focus);

(g) Long and short positions in foreign exchange forward contracts;

(h) Long and short positions in over the counter derivatives i.e. total return swaps, contract for differences and options giving exposure to UCITS eligible financial indices (such as SPX 500, EUROSTOXX 600), equities and bonds that are issued by corporate issuers; and

(i) transferable securities and money market instruments other than the securities referred to in paragraph (b) above such as unlisted securities that provide exposure to commodities. Investments in such transferable securities and money market instruments shall not exceed 10% of the net asset value of the Sub-Fund.

The Sub-Investment Manager shall determine the allocation to the constituents of the Reference Strategy on a discretionary basis, subject to a minimum allocation of 0% of net exposure to fixed income, maximum allocation of 75% of net exposure to equities and maximum of 45% of net exposure to foreign exchange and alternative assets in aggregate. The asset allocation process takes into account expected return potentials as well as volatilities and correlations between asset classes and between the various strategies described in the categories above. The Sub-Investment Manager strives for a broad diversification while being reactive to changing market conditions. The aggregate gross exposure of the constituents of the Reference Strategy, as measured using the commitment approach, shall not exceed 125% of the net asset value of the Reference Strategy.
The Reference Strategy may, from time to time, hold a portion of its assets in cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances, when opportunities are limited or in other circumstances deemed appropriate by the Sub-Investment Manager.

As disclosed above, the Reference Strategy may obtain exposure to (a), (b) and (d) above through investment in other collective investment schemes. Notwithstanding any contrary provision in the Prospectus, the Reference Strategy may be comprised of up to 100% in regulated investment funds (including ETFs) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS. Any such collective investment scheme will not charge annual management fees of in excess of 5% of those underlying funds’ respective net asset values. The Reference Strategy may not invest more than 20% of net asset value in any one collective investment scheme. Investments in non-UCITS collective investment schemes may not, in aggregate, exceed 30% of net asset value. Investment may not be made in any collective investment scheme which itself invests more than 10% of its net asset value in other open-ended collective investment schemes.

As set out above the Reference Strategy expects to enter into FDI transactions to gain exposure to the securities referred to in Description of Reference Strategy above. The Reference Strategy may take long positions either physically or synthetically through the use of FDIIs. The Reference Strategy may utilise swaps, options, futures and forward currency exchange contracts. The Reference Strategy may invest in FDI transactions both for investment and efficient portfolio management purposes. For example: (i) equity swaps may be utilised for efficient cash management; or (ii) single name options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the strategy from movements in the general equity market and (iv) forward currency exchange contracts, currency index futures and currency index forwards in order to hedge the currency risk for the components of the Reference Strategy

FDIs may be exchange traded or over-the-counter.

The Reference Strategy will not have a substantial exposure to equities and equity related securities of issuers located in emerging markets.

1.2.3 General

In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions (including leverage inherent in the Portfolio Strategy) is expected to be between 275% and 300% of the Net Asset Value of the Sub-Fund and will never exceed 325% of the Net Asset Value of the Sub-Fund.

The aggregate gross exposure of the constituents of the Reference Strategy, as measured using the commitment approach, shall not exceed 125% of the net asset value of the Reference Strategy. The Sub-Fund will use the absolute VaR risk measurement approach and any reference to the commitment approach in respect of the Reference Strategy in this Supplement is intended solely as a supplementary disclosure to investors and relates to the Reference Strategy and not the Sub-Fund.

The Sub-Fund may enter into Financing Swaps (as defined below under “Unfunded Total Return Swaps and Reverse Repurchase Transaction”). The Sub-Fund may enter into repurchase / reverse repurchase arrangements (subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes).

The Sub-Fund will have an exposure to the Put Option as part of the Portfolio Total Return Swap from the Approved Counterparty that aims to pay any shortfall amount that the Fund may need to receive in order to pay Minimum Target NAV to the Shareholders. The purpose of holding exposure to the Put Option is to offer an element of capital protection equal to at least 80% of the highest Net Asset Value per Share (subject to disclosures as laid out in Section 13: Risk Factors below) achieved from the
launch of the Sub-Fund onwards (i.e. commencing with the initial offer price). The premium payable for the Put Option will be at normal commercial rates.

The Sub-Fund and the Reference Strategy will only utilise those derivatives that are listed in the risk management process in respect of the Sub-Fund and that have been cleared by the Central Bank as detailed in section 6 “Information on Financial Derivative Instruments”.

Risk Control Mechanism

The Investment Manager rebalances the exposure to the Reference Strategy and the Cash Component (which may occur daily) through the Portfolio Total Return Swap, as agreed between the Investment Manager and the Approved Counterparty(as further described below) on the basis of certain volatility rules summarised herein. The rebalancing seeks to control the volatility risk of the Portfolio Strategy by reducing the allocation to the Reference Strategy if and when the realised volatility of the Reference Strategy as observed for certain periods increases. As the realised volatility of the Reference Strategy increases, the exposure to the Reference Strategy is adjusted downwards to a minimum of 0% and the corresponding exposure to the Cash Component is adjusted upwards to a maximum of 100%, such that the anticipated realised volatility of the Portfolio Strategy within the observed periods is consistent with the volatility budget. The volatility budget i.e. the maximum targeted level of annualised change in value of the Portfolio Strategy is between 6% to 8% over the term of the Portfolio Total Return Swap. The monthly performance of the Portfolio Strategy will be capped at between 3% to 4% of the level of the Portfolio Strategy on the last Business Day of the previous month (please see “Capped Performance of Portfolio Strategy” in section 14; “Risk Factors below). The Sub-Investment Manager shall determine the volatility budget and the cap of the monthly performance on a discretionary basis. The monthly performance is capped in order to reduce the realised volatility of the exposure to the Portfolio Strategy. A lower volatility ensures that the exposure of Portfolio Total Return Swap to the Reference Strategy is maximised, as a higher realised volatility of the Portfolio Strategy would otherwise result in a higher allocation to the Cash Component.

Securities Financing Transactions

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Securities Financing Transactions</th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps/Margin Finance</td>
<td>300%</td>
<td>310%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the Portfolio Strategy

Minimum Target NAV

The Sub-Fund will aim on each Dealing Day to offer an element of capital protection equal to 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards (i.e. commencing with the initial offer price). The Sub-Fund aims to achieve this capital protection through exposure to the Put Option which forms part of the exposure of the Portfolio Total Return Swap, as described above. The aim of holding exposure to the Put Option, when combined with holding exposure to the Portfolio Strategy is to deliver the Minimum Target NAV as the Put Option is expected to pay into the assets of the Sub-Fund any shortfall amount that the Fund may need to receive in order to pay the Minimum Target NAV to the Shareholders.
The initial term of the Portfolio Total Return Swaps is five years but the Sub-Fund will aim to periodically extend the Portfolio Total Return Swap.

The Sub-Fund will pay additional premium in relation to the extension of the Portfolio Total Return Swap (which embeds the Put Option) and/or for increasing the allocation to the Reference Strategy within the Portfolio Strategy.

**Termination Date**

The Sub-Fund will terminate on the Business Day following the termination of the Portfolio Total Return Swap (which may occur, for example, as a result of the termination of the Sub-Investment Manager's appointment in respect of the Sub-Fund). The initial term of the Portfolio Total Return Swap is five years, but the Sub-Fund will endeavour to extend the maturity of the Portfolio Total Return Swap at least once a year. If the Portfolio Total Return Swap can no longer be extended, the Shareholders will be informed about the expected termination date of the Portfolio Total Return Swap and about the expected termination date of the Sub-Fund (at least 3 months prior to such termination dates).

1.3 **Profile of a Typical Investor**

Investment in the Sub-Fund is suitable for investors seeking a medium-term appreciation of capital, with the potential for a longer-term investment horizon.

2 **APPROVED COUNTERPARTY(IES)**

The sole approved counterparty/counterparties for all off exchange derivatives and the repurchase agreement is Morgan Stanley or any of its affiliate or subsidiary that is a UCITS eligible counterparty (the “Approved Counterparty”). The Approved Counterparty does not have discretion over the Sub-Fund’s assets.

3 **UNFUNDED TOTAL RETURN SWAPS AND REVERSE REPURCHASE TRANSACTION**

The Sub-Fund may use, as described in 1.2 & 1.2.3 above, a Portfolio Total Return Swap (which will deliver the economic performance of the Portfolio Strategy and the Put Option) and the Financing Swaps (as defined below) (together, the “Swaps”).

3.1 **The Portfolio Total Return Swap**

The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Portfolio Strategy and the Put Option in exchange for a floating rate of return being paid by the Sub-Fund.

The Portfolio Total Return Swap contains exposure to the Put Option which is held with the aim of providing an element of capital protection equal to at least 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards (i.e. commencing with the initial offer price). The Sub-Fund may enter into more than one Portfolio Return Swap in order to reflect the different management charges applied to different share classes as outlined below.

3.2 **The Financing Swaps**

The Sub-Fund will purchase Financing Assets (as defined below) and transfer the full economic interest in such Financing Assets (as defined below) to the Approved Counterparty pursuant to swap agreements (the “Financing Swaps”) in exchange for a floating rate of return (i.e. a market rate of return agreed with the Approved Counterparty from time to time generated through the Financing Swaps) being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

“Financing Assets” will include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of
The Reference Strategy. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below “investment grade” by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager. They may also include (without aggregate limits) UCITS-eligible regulated investment funds (including money market funds and ETFs) domiciled in the EEA, Jersey, Guernsey, the Isle of Man, or the United States, with a maximum management fee of 5% of any such fund’s net assets. Such investment funds will be UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS which will deliver exposure to the asset classes of fixed income, equities, foreign exchange and alternative assets (without any minimum or maximum allocation limits for each asset class). The Financing Assets acquired will be those which, in the opinion of the Investment Manager, are suited for the purpose of meeting the investment objective of the Sub-Fund, based on its assessment of the underlying liquidity of the securities, where it will select securities that match the daily liquidity of the Sub-Fund.

The Approved Counterparty does not have discretion over the Financing Assets.

Financing Assets may have unlimited exposure to emerging market and sub investment grade assets.

Financing Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be listed or traded as they are permitted unlisted investments.

The Sub-Fund may also enter into reverse repurchase agreements with the Approved Counterparty for efficient portfolio management purposes (which will generate a floating rate of return as well). The floating rate of return generated through the reverse repurchase agreement shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

The Approved Counterparty may provide collateral to the Sub-Fund so that the Sub-Fund's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank as set out under section 6 below.

The Sub-Fund may not enter into fully funded swaps.

The performance of the Sub-Fund will primarily be determined by the performance of the Portfolio Total Return Swap. It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Financing Assets other than in the event of a default by the Approved Counterparty under the terms of the Financing Swap.

4 HEDGING STRATEGY

The Approved Counterparty may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by the Approved Counterparty in implementing its hedging strategy (including costs and fees of the Investment Manager as disclosed in Section 17 on Charges and Expenses) which are paid or reimbursed by Approved Counterparty may ultimately be borne by the Sub-Fund as costs, at normal commercial rates, under the terms of the Swap.

5 INVESTMENT RESTRICTIONS OF THE PORTFOLIO

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

6 INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE REFERENCE STRATEGY AND SUB-FUND

The following types of Financial Derivative Instruments will be used within the Reference Strategy (and in the case of Swaps and Forward Currency Exchange Contracts, the Sub-Fund) to
provide exposure to fixed income, equities, foreign exchange and alternative assets as set out in more detail in section 1.2 “Investment Policy” above.

**Swaps.** These include contracts for difference and total return swaps. A contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of swaps can be single name securities, indexes or custom baskets of securities.

**Options.** Options may be exchange traded or traded over-the-counter options and may have single name securities, indexes or custom baskets of securities as underlying reference assets. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference asset at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.

**Futures.** The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. The Reference Strategy may employ indices that are comprised of futures.

**Forward Currency Exchange Contracts.** A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The forward currency exchange contracts will be used to hedge the currency risk of Reference Strategy assets, non-base currency share classes and the Financing Assets. The Sub-Fund or Reference Strategy may employ UCITS eligible indices that are comprised of forward or futures currency exchange contracts as well as systematic strategies comprised of rolling forward or futures currency exchange contracts for this purpose. These strategies take a short exposure to a futures contract which is then rolled on to another futures contract systematically, without any discretionary input and are developed and operated by the Strategy Manager as described in section 9 below. The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

7 **INVESTMENT MANAGER**

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France.

The Investment Manager is regulated by the Autorité des Marchés Financiers in France. As at 30 April 2017, FundLogic SAS had approximately $4.4 billion of assets under management.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an amendment to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010, as amended (the “Agreement”).

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager, its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and / or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Sub-Fund and/or the Fund.
The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 90 days’ prior written notice (or such other period as may be agreed between the parties).

8 SUB-INVESTMENT MANAGER

The Investment Manager has appointed Smart Investment Management Limited as the Sub-Investment Manager, pursuant to the sub-investment management agreement dated 30 July 2015 as novated by a novation agreement between the Investment Manager, the Fund, Praemium Administration Ltd and the Sub-Investment Manager dated 12 October 2017, as may be amended from time to time (the “Sub-Investment Management Agreement”), to provide the Investment Manager with discretionary investment management services in relation to the investments in the Reference Strategy.

The Sub-Investment Manager has appointed Smart Investment Management Limited as the Sub-Investment Manager, pursuant to the sub-investment management agreement dated 30 July 2015 as novated by a novation agreement between the Investment Manager, the Fund, Praemium Administration Ltd and the Sub-Investment Manager dated 12 October 2017, as may be amended from time to time (the “Sub-Investment Management Agreement”), to provide the Investment Manager with discretionary investment management services in relation to the investments in the Reference Strategy.

The Sub-Investment Manager is incorporated in the UK with a registered office at 4th Floor, Salisbury House, London Wall, London EC2M 5QQ.

The Sub-Investment Manager is regulated by the Financial Conduct Authority in the UK.

The Sub-Investment Manager shall be responsible for loss to the Investment Manager and the Fund to the extent such loss is due to wilful misfeasance, wilful deceit, fraud, bad faith, negligence or material breach by the Sub-Investment Manager by itself, its directors, officers, servants, employees, agents and appointees or for its recklessness, breach of fiduciary duty and any misrepresentation made by or on behalf of the Sub-Investment Manager.

The Sub-Investment Management Agreement may be terminated by either the Investment Manager or the Sub-Investment Manager on giving not less than 3 months prior written notice (or such other period as may be agreed between the parties) to the other party.

9 STRATEGY MANAGER

The Investment Manager has appointed Morgan Stanley & Co. International plc (MSI Plc) as the Strategy Manager to the Sub-Fund to provide the Investment Manager with certain systemic strategy management services in relation to the Sub-Fund. For the avoidance of doubt, the Strategy Manager is responsible solely for determining the composition of each systematic strategy as agreed with the Investment Manager. Therefore, the Strategy Manager does not provide discretionary asset management services to the Sub-Fund and as such has no authority to manage or responsibility for the assets of the Sub-Fund. MSI Plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the Financial Conduct Authority in the UK.

10 SUB-CUSTODIAN

Pursuant to an agreement dated 31 July 2015 (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSIP”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSIP may in such capacity hold certain assets of the Sub-Fund from time to time. MSIP is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and which is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on five days’ written notice, or with MSIP’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of either party or un-remedied breach of the agreement. The Sub-Custody Agreement provides that the Fund shall indemnify MSIP pursuant to the terms of the Sub-Custody Agreement, and that MSIP and its employees and officers will not be liable to the Depositary or the Fund for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Custody Services.
with the Sub-Custody Agreement or the services provided hereunder save where such loss, cost, charge, fee, expense, damage or liability results directly from the negligence, willful default or fraud of MSIP or its employees or officers.

11 SERVICE PROVIDER

The Fund has appointed MSIP (the “Service Provider”) to provide certain services (as detailed below) to the Fund as Service Provider pursuant to a Services Agreement dated 31 July 2015 in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities (facilities to hold foreign exchange or to convert currencies). The Service Provider does not have discretion over the Sub-Fund’s assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

12 RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), MSIP (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, willful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

13 BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions (including leverage inherent in the Portfolio Strategy) is expected to be between 275% and 300% of the Net Asset Value of the Sub-Fund and will never exceed 325% of the Net Asset Value of the Sub-Fund.
The aggregate gross exposure of the constituents of the Reference Strategy, as measured using the commitment approach, shall not exceed 125% of the net asset value of the Reference Strategy. The Sub-Fund may be leveraged through the use of FDI, including through the Portfolio Total Return Swap which provides exposure to the Reference Strategy.

14 RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI or repo that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Company maintains an active oversight of counterparty exposure in line with Regulations and the collateral management process in respect of the Sub-Fund.

The restrictions on cash collateral as set out in the section entitled Efficient Portfolio Management in the Prospectus shall apply. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out in the section entitled Risk Factors in the Prospectus.

No Exposure to Reference Strategy

Based on the risk control mechanism, there is a risk that there is no exposure to the Reference Strategy for certain periods. In this case, Shareholders will be exposed to overnight interest rates which might be negative.

Minimum Target NAV

The Sub-Fund aims to provide an element of capital protection, however, this will be dependent on the solvency of the Approved Counterparty. In the event of insolvency of Approved Counterparty, the Sub-Fund will be exposed to the performance of Financing Assets.

Investors should note that the Minimum Target NAV does not provide complete capital protection and only aims to provide a payment equal to a minimum of 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards. It is important to note that, while a repurchasing Shareholder will receive an amount equal to the Net Asset Value per Share on redemption, each Share may benefit from limited capital protection only, regardless of the Net Asset Value per Share at which such Share was purchased by the Shareholder.

Differences in the Net Asset Value per Share and the Minimum Target NAV of the Share Classes

Further, while each Share Class of the Sub-Fund is exposed to the same Portfolio Strategy and aims to provide a return equal to a minimum of 80% of the highest Net Asset Value per Share, there may be differences in the Net Asset Value per Share and the Minimum Target NAV of each of the Share Classes due to the unique characteristics of each Share Class including differences relating to the launch date and currency denomination.

Capped Performance of Portfolio Strategy

The monthly performance of the Portfolio strategy is capped at 4% of the Portfolio Strategy level as on last Business Day of previous month. As such, the Sub-Fund participation in Reference Strategy upside
will be limited while it will be exposed to the downside in Reference Strategy. This may result in the Sub-Fund underperforming the Reference Strategy.

**Currency Risk**

The Base Currency of the Sub-Fund is GBP. Shareholders may subscribe in USD, Euro, Pound Sterling, or into the USD, EUR or GBP denominated Share Classes respectively.

The EUR and USD denominated Shares are Hedged Share Classes. To the extent that Share class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund’s underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share classes.

Depending on a Shareholder's currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

**Impact of Currency Fluctuations on Minimum Target NAV**

The Investment Manager seeks to hedge the impact of currency fluctuations on the Minimum Target NAV for base currency and non-base currency share classes, however investors should note that such hedging may not always be successful in protecting the Minimum Target NAV against exchange rate risks.

Such currency fluctuations if unhedged may impact the ability of Investment Manager to have exposure to the Portfolio Total Return Swap in line with the net assets of the Sub-Fund and hence may result in investor proceeds being lower than Minimum Target NAV of the Sub-Fund for both base currency and non-base currency share classes.

**Active Management Risk**

The Sub-Investment Manager decides the composition of the Reference Strategy and so the success of the Sub-Fund depends, among other things, upon the ability of the Sub-Investment Manager to manage the asset allocation within the Reference Strategy. No assurance can be given that the Sub-Investment Manager will be successful in managing the Reference Strategy. Moreover, decisions made by the Sub-Investment Manager may cause the Sub-Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Additionally, the management of the Reference Strategy will result in brokerage and other transaction costs to which the Sub-Fund will be indirectly exposed. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Sub-Fund, nor an opportunity to evaluate the determination of (and any changes to) the specific strategies used, or investments made, by the Sub-Investment Manager within the Reference Strategy or the terms of any such investment.

**Impact of the valuation of Off Exchange Derivatives on the Net Asset Value of the Sub-Fund**

The Sub-Fund invests in complex derivatives (eg, the Financing Swaps and the Portfolio Total Return Swap) whose valuation depends on multiple market parameters. Thus, Shareholders will not be able to derive the Net Asset Value of the Sub-Fund from an increase of the level of the Reference Strategy alone.

**Counterparty Valuation of OTCs**

The value assigned to the OTC derivative instruments shall be the quotation received from the counterparty to such contracts at the Valuation Point. Investors should note that the valuation received from the counterparty will be impacted by the level of redemption or subscriptions received into the Sub-Fund on a daily basis. On a day when net subscriptions/only subscriptions are received, the counterparty will provide a price which is likely to be closer to their offer price for the contract, whereas if there are net redemptions/only redemptions received by the Sub-Fund, the counterparty will provide a price which is likely to be closer to their bid price for the contract. The independent valuation provider,
which is appointed by the Board and approved by the custodian, will verify all values received from the counterparty on at least a weekly basis as set out in the Prospectus.

**Depositary/MSIP Insolvency**

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("**Insolvency**") of the Depositary and/or MSIP in its capacity as sub-custodian. These risks include without limitation: the loss of all cash which the Depositary and/or MSIP has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust which have not been properly segregated and so identified both at the level of the Depositary and/or MSIP ("**trust assets**") or client money held by or with the Depositary and/or MSIP in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary and/or MSIP; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

**15 DIVIDEND POLICY**

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Share Class.

**16 KEY INFORMATION FOR PURCHASES AND SALES OF SHARES**

**Base Currency**

GBP

**Classes of Shares**

Shares in the Sub-Fund will be available in different classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR Shares</td>
<td>Euro</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A</td>
<td>USD</td>
<td>Yes</td>
<td>$1,000</td>
<td>$10,000</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>USD Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>Pound Sterling</td>
<td>No</td>
<td>£1,000</td>
<td>£10,000</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class C</td>
<td>GBP</td>
<td>No</td>
<td>£1,000</td>
<td>£10,000</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>GBP Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who
redeems his holding of Shares in any Share class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

Investors must subscribe into a Share class in the currency in which that Share class is denominated. Repurchase payments are also made in the currency in which the relevant Share class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Business Day**

Every day (except legal public holidays in New York, London, Paris or Dublin or days on which the stock markets in New York, Paris, Dublin and/or in London are closed) during which banks in New York, Paris, Dublin and London are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders. The 24th and the 31st December are deemed public holidays for the purpose of this Supplement.

**Dealing Day**

Every Business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

9 AM Irish time on the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

**Settlement Date**

In the case of subscriptions, by 12 Noon Irish time, 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

Close of business on the relevant Dealing Day.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

## 17 CHARGES AND EXPENSES

**Redemption in Specie**

The provisions of section 19 of the Prospectus entitled Repurchase of Shares in respect of the ability of the Directors to satisfy a repurchase request in whole or in part by an in-kind distribution of securities of the relevant Sub-Fund in lieu of cash with or without consent of the Shareholder shall not apply to the Sub-Fund.
Management Charge

The Fund will pay (i) up to 0.10% per annum in respect of the Class A EUR Shares, Class A USD Shares, Class A GBP Shares and Class C GBP Shares to the Investment Manager (ii) up to 1.7% per annum in respect of the Class A EUR Shares, Class A USD Shares and Class A GBP Shares and (iii) up to 0.25% per annum in respect of the Class C GBP Shares to the Sub Investment Manager from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid monthly in arrears.

Risk Management, Administrator's and Depositary’s Fees

The Fund will pay to the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.15% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of any service provider to the Sub-Fund and in particular, the Administrator and Depositary which are not covered by the Management Charge payable to the Investment Manager and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Subscription Charge

A subscription charge of up to 4% of the subscription amount may apply in respect of each Share class. Any subscription charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

18 HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

The Directors reserve the right to reject in whole or part any subscription at their sole discretion, but in particular may do so where the Approved Counterparty is unwilling to agree to an equivalent increase in the notional of the Portfolio Total Return Swap.

19 HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.
Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

The cost and expenses of establishing the Sub-Fund will be paid by the Promoter.

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, wilful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result of, or in connection with, or arising out of, the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, wilful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the rules of the Financial Conduct Authority (the FCA). Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Agreement, be client money for the purposes of the FCA Rules and will therefore be subject to the client money protections conferred by the FCA Rules.

Either party may terminate the Services Agreement by giving at least five business days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it...
determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies or the Fund to perform of any or all of its respective obligations thereunder.
This Supplement contains specific information in relation to the Smartfund 80% Protected Growth Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund will be managed by FundLogic SAS (the “Investment Manager”). The Investment Manager has appointed Smart Investment Management Limited to act as sub-investment manager to the Sub-Fund (the “Sub-Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal economic exposure may be effected through financial derivative instruments.

An investor should consider their investment decision carefully before allocating a substantial proportion of an investment portfolio to the Sub-Fund.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
# TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND POLICIES ................................................................. 3
2. APPROVED COUNTERPARTY ...................................................................................... 8
3. UNFUNDED TOTAL RETURN SWAPS ...................................................................... 8
4. THE HEDGING STRATEGY ....................................................................................... 9
5. INVESTMENT RESTRICTIONS OF THE PORTFOLIO ............................................ 9
6. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS .............................. 10
7. INVESTMENT MANAGER ....................................................................................... 10
8. SUB-INVESTMENT MANAGER ................................................................................ 11
9. STRATEGY MANAGER ............................................................................................ 11
10. SUB-CUSTODIAN .................................................................................................... 11
11. SERVICE PROVIDER ............................................................................................... 12
12. RISK MANAGER ..................................................................................................... 12
13. BORROWING AND LEVERAGE ............................................................................. 12
14. RISK FACTORS ..................................................................................................... 13
15. DIVIDEND POLICY ............................................................................................... 15
16. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES ...................... 15
17. CHARGES AND EXPENSES .................................................................................. 16
18. HOW TO SUBSCRIBE FOR SHARES .................................................................... 17
19. HOW TO SELL SHARES ........................................................................................ 17
20. HOW TO EXCHANGE SHARES ............................................................................. 17
21. ESTABLISHMENT CHARGES AND EXPENSES .................................................. 17
22. OTHER CHARGES AND EXPENSES .................................................................... 17
23. OTHER INFORMATION .......................................................................................... 17
1. INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with long term exposure to the performance of the Portfolio Strategy with 80% of the highest NAV per Share Class (from the launch of the Sub-Fund onwards) being protected as a minimum exit Net Asset Value (the “Minimum Target NAV”).

1.2 Investment Policy

The portfolio strategy (the “Portfolio Strategy”) consists of long and short positions in a portfolio of securities and other assets as set out below whose composition is determined from time to time by the Sub-Investment Manager (the “Reference Strategy”) and exposure to an effective overnight interest rate for the British Pounds Sterling (the “Cash Component”) – allocated in accordance with a risk control strategy as set out under “Risk Control Mechanism” below and with an aim of protection of 80% of the highest NAV per Share Class (from the launch of the Sub-Fund onwards) being protected as a minimum exit Net Asset Value through exposure to a put option (the “Put Option”). The overnight interest rate used for the Cash Component will be the sterling overnight interest rate (i.e. the weighted average interest rate to four decimal places of all unsecured sterling overnight cash transactions brokered through WMBA member firms between 00:00 hrs and 16:15 hrs UK time with all counterparties in a minimum size of £25 million) minus a fixed spread (which is a set rate agreed with the Approved Counterparty). The Sub-Fund will gain exposure to the Portfolio Strategy and the Put Option through one or more unfunded total return swaps with the Approved Counterparty (collectively the “Portfolio Total Return Swap”).

1.2.1 Description of Reference Strategy

The Reference Strategy consists of a portfolio with exposure to the asset classes of fixed income, equities, foreign exchange and alternative assets (private equity listed or traded on markets mentioned in Appendix II of the prospectus, commodities and real estate; exposure to private equity, commodities and real estate will be achieved through regulated exchange traded funds (“ETFs”) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS, and through eligible indices). The Reference Strategy does not have any particular geographical or industry focus.

The Reference Strategy will obtain exposure to such asset classes in the following manner:

(a) Fixed Income

(i) Direct investment in fixed income securities, such as bonds and money market instruments (such as short and medium-term treasury bills and treasury notes, and certificates of deposit and bankers’ acceptances), which are issued by corporate or government issuers (including those located in emerging markets), which are fixed or floating rate, rated investment grade or below investment grade or unrated and listed or traded on the Markets referred to in Appendix II of the Prospectus;

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to fixed income securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS; and

(iii) Total return swaps (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference direct or indirect fixed income investments set out in (i) and (ii) above or eligible indices which are comprised of fixed income investments set out in (i) above.

(iv) Total return swaps (with the Strategy Manager as counterparty) which reference absolute return strategies that invest in fixed income investments or financial derivative instrument on fixed income investments or set out in (i) and (ii) above. There are 2 such strategies as described below to which the Reference Strategy may be exposed based on the Sub-Investment Manager’s risk and return expectations from each strategy:

1. 5% Volatility Controlled Enhanced Forward Rate Bias USD : The strategy aims to capture the
difference between the current prediction of interest rates, as represented by interest rate forwards trading in the market at present and the actual interest rates in the future (which based on historical observation will not be the same. The strategy invests in short term interest rate futures (exposure to which will be adjusted to maintain an annualised volatility of 5%) based on the level and volatility of Fed Funds Effective Rate.

2. 5% Volatility Controlled Enhanced Forward Rate Bias EUR : The strategy aims to capture the difference between the current prediction of interest rates, as represented by interest rate forwards trading in the market at present and the actual interest rates in the future (which based on historical observation will not be the same. The strategy invests in short term interest rate futures (exposure to which will be adjusted to maintain an annualised volatility of 5%) based on level and volatility of 3 month EONIA.

Each of the above mentioned strategies in (iv) are developed and operated by Morgan Stanley & Co. International plc (the “Strategy Manager”) as described in section 9 below. The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

In order to protect the Reference Strategy (and the Sub-Fund) against a rise in interest rates, which would generally lead to a decrease in the value of the assets as described in (a) (i), (ii) (iii) and (iv) above, the Sub-Fund may as part of the Reference Strategy obtain exposure to UCITS eligible indices that provide short exposure to derivative instruments known as bond futures. In the event of an increase in interest rates, the value of the futures contracts is expected to decrease and thus the Reference Strategy may benefit from having a position in such UCITS eligible indices. The Reference Strategy may have an allocation of up to 100% to these indices.

(b) Equities

(i) Direct investment in equity and equity related securities, including common and preferred stock (American Depositary Receipts (“ADRs”)) and (Global Depositary Receipts (“GDRs”)), which are issued by corporate issuers (including those located in emerging markets), which are listed or traded on the Markets referred to in Appendix II of the Prospectus (with no specific industry or capitalisation focus);

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to equity securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS; and

(iii) Total return swaps and options (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference direct or indirect equities investments set out in (i) and (ii) above and eligible indices which are comprised of equity investments set out in (i) above.

(iv) Total return swaps (with the Strategy Manager as counterparty) which reference absolute return strategies that invest in equity securities or financial derivative instrument on equity securities as set out in (i) and (ii) above. There are 5 such strategies as described below to which the Reference Strategy may be exposed in the sole discretion of the Sub-Investment Manager based on its expectations of the risk and return from each strategy, with a maximum allocation of 15% of net asset value to any one strategy, save for the Morgan Stanley CUBE Equity Risk Premium strategy for which there is a maximum allocation of 30% of net asset value:

1. Long/Short Scientific Beta Multi-Beta Multi-Strategy : The strategy aims to capture the performance of a portfolio of stocks selected using factors like mid cap, high momentum, low volatility and value over the broader equity market. The strategy can have long exposure of up to 100% and short exposure of up to 100% of net assets. The Reference Strategy will only have exposure to the short positions synthetically.

2. Dividend Seeker Hedge: The strategy takes exposure in stocks ahead of their dividend declaration date (ex-date). The strategy can have long exposure of up to 100% and short exposure of up to 150% of net assets.

3. PanEurope Dynamic MEMO: The strategy aims to take exposure to European equities around the end of month to capture possibility of price increases during the period due to higher month end trading volumes on the relevant stock markets. The strategy only takes long exposure.
4. Target Equity Strategy: The strategy aims to take long positions in undervalued stocks, as identified by the valuation metrics like earning based valuation and dividend yield used by private equity investors and corporate buyers.

5. Morgan Stanley CUBE Equity Risk Premium: Morgan Stanley CUBE Equity Risk Premium is an equity strategy designed to allocate exposure across the following investment styles:

f. Value (investing in securities across asset classes that are cheaper relative to their peers)
g. Momentum (investing in equities that have outperformed in the past)
h. Low volatility bias (investment in equities with low volatility as measured by the annualised variation of 6 month historical daily returns)
i. Size (investment in mid or small capitalisation equities)
j. Quality (investment in equities that are deemed profitable, operational and financially efficient)

Each of the above mentioned strategies in (iv) are developed and operated by Morgan Stanley & Co. International plc (the “Strategy Manager”). The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

(c) Foreign Exchange

(i) Swaps, options, futures and options on futures and forward currency exchange contracts (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) which reference foreign exchange rates or currencies and eligible indices with exposure to foreign exchange rates or currencies.

(ii) Total return swaps (with the Strategy Manager as counterparty) which reference absolute return currency strategies. There are 2 such strategies as described below to which the Reference Strategy may be exposed in the sole discretion of the Sub-Investment Manager based on its expectations of the risk and return from each strategy, with a maximum allocation of 15% of net asset value to any one strategy:

1. Developed Market Positioning Strategy: The strategy aims to take long exposure to currencies with higher open buy positions than sell positions in the futures market and short exposure to currencies with higher open sale position than buy position in the futures market. The Strategy employs long and short positions in currency futures and can take up to 100% exposure in long futures and up to 100% exposure in short currency future positions.

2. Enhanced Currency Carry Optimised USD: The strategy aims to capture the difference between the current prediction of currency rates, as represented by currency forwards trading in the market at present and the actual currency in the future (which based on historical observation will not be the same). The strategy invests in one month currency forwards for G10 currencies.

Each of the above mentioned strategies in (ii) is developed and operated by Morgan Stanley & Co. International plc (the “Strategy Manager”). The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

(d) Alternative Assets

(i) Indirect investment through regulated investment funds (including ETFs) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings equivalent to UCITS which provide exposure to alternative assets(private equity, commodities and real estate);

(ii) Indirect investment through exchange traded certificates which are eligible transferable securities providing indirect exposure to commodities. Such exchange traded certificates do not embed leverage or a derivative and are listed or traded on the Markets referred to in Appendix II of the Prospectus; and

(iii) Total return swaps (as set out in more detail in section 6 “Information on Financial Derivative Instruments” below) (with the Strategy Manager as counterparty) which reference absolute return strategies. There is 1 such strategy as described below. Based on the Sub-Investment Manager’s expectation of risk and return, the Reference Strategy may have an allocation of up to 40% of net asset value to the below mentioned strategy:
5. Value (investing in securities across asset classes (as set out above in para (1) of this section 1.2.1) that are cheaper relative to their peers)

6. Momentum (the strategy takes long and short positions in a basket of underlying assets based on their relative returns in a calendar year. If an underlying asset has performed positively in comparison to other assets in its asset class, a long position on the underlying asset is taken and if an underlying asset has performed negatively in comparison to other assets in its asset class, a short position on the underlying asset is taken)

7. Carry (the strategy aims to capture the difference between the current prediction of price of an asset, as represented by the underlying forwards on the asset trading in the market at present and the actual asset price in the future)

8. Trend (the strategy takes long and short positions in a basket of underlying assets based on their returns in a calendar year. If the return is positive, a long position on the underlying asset is taken and if the return is negative, a short position on the underlying asset is taken. While the “Momentum” investment style is based on relative positive or negative performance of the assets, the “Trend” investment style is based on absolute positive or negative performance).

Morgan Stanley CUBE Cross Asset Risk Premium can invest in securities and financial derivative instruments as set out in more detail in section 6 “Information on Financial Derivative Instruments” below:

(j) Long and short positions in future contracts, on equities, interest rates, equity indices and currencies and options relating to such future contracts, traded on recognized exchanges as listed in Appendix II of the Prospectus;

(k) Direct investment in equities and bonds that are issued by corporate issuers (including those located in emerging markets), which are listed or traded on the Markets referred to in Appendix II of the Prospectus (with no specific industry or capitalization focus);

(l) Long and short positions in foreign exchange forward contracts;

(m) Long and short positions in over the counter derivatives i.e. total return swaps, contract for differences and options giving exposure to UCITS eligible (such as SPX 500, EUROSTOXX 600), equities and bonds that are issued by corporate issuers; and

(n) transferable securities and money market instruments other than the securities referred to in paragraph (b) above such as unlisted securities that provide exposure to commodities. Investments in such transferable securities and money market instruments shall not exceed 10% of the net asset value of the Sub-Fund.

The Sub-Investment Manager shall determine the allocation to the constituents of the Reference Strategy on a discretionary basis, subject to a minimum allocation of -10% of net exposure to fixed income, maximum allocation of 100% of net exposure to equities and maximum of 40% of net exposure to foreign exchange and alternative assets in aggregate. The asset allocation process takes into account expected return potentials as well as volatilities and correlations between asset classes and between the various strategies described in the categories above. The Sub-Investment Manager strives for a broad diversification while being reactive to changing market conditions. The aggregate gross exposure of the constituents of the Reference Strategy, as measured using the commitment approach, shall not exceed 150% of the net asset value of the Reference Strategy.

The Reference Strategy may, from time to time, hold a portion of its assets in cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers’ acceptances, when opportunities are limited or in other circumstances deemed appropriate by the Sub-Investment Manager.

As disclosed above, the Reference Strategy may obtain exposure to (a), (b) and (d) above through investment in other collective investment schemes. Notwithstanding any contrary provision in the
Prospectus, the Reference Strategy may be comprised of up to 100% in regulated investment funds (including ETFs) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS. Any such collective investment scheme will not charge annual management fees of in excess of 5% of those underlying funds’ respective net asset values. The Reference Strategy may not invest more than 20% of net asset value in any one collective investment scheme. Investments in non-UCITS collective investment schemes may not, in aggregate, exceed 30% of net asset value. Investment may not be made in any collective investment scheme which itself invests more than 10% of its net asset value in other open-ended collective investment schemes.

As set out above the Reference Strategy expects to enter into FDI transactions to gain exposure to the securities referred to in Description of Reference Strategy above. The Reference Strategy may take long positions either physically or synthetically through the use of FDIs. The Reference Strategy may utilise swaps, options, futures and forward currency exchange contracts. The Reference Strategy may invest in FDI transactions both for investment and efficient portfolio management purposes. For example: (i) equity swaps may be utilised for efficient cash management; or (ii) single name options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the strategy from movements in the general equity market and (iv) forward currency exchange contracts, currency index futures and currency index forwards in order to hedge the currency risk for the components of the Reference Strategy.

FDIs may be exchange traded or over-the-counter.

The Reference Strategy will not have a substantial exposure to equities and equity related securities of issuers located in emerging markets.

1.2.3 General

In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions (including leverage inherent in the Portfolio Strategy) is expected to be between 300% and 320% of the Net Asset Value of the Sub-Fund and will never exceed 375% of the Net Asset Value of the Sub-Fund.

The aggregate gross exposure of the constituents of the Reference Strategy, as measured using the commitment approach, shall not exceed 150% of the net asset value of the Reference Strategy. The Sub-Fund will use the absolute VaR risk measurement approach and any reference to the commitment approach in respect of the Reference Strategy in this Supplement is intended solely as a supplementary disclosure to investors and relates to the Reference Strategy and not the Sub-Fund.

The Sub-Fund may enter into Financing Swaps (as defined below under “Unfunded Total Return Swaps and Reverse Repurchase Transaction”). The Sub-Fund may enter into repurchase / reverse repurchase arrangements (subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes).

The Sub-Fund will have an exposure to the Put Option as part of the Portfolio Total Return Swap from the Approved Counterparty that aims to pay any shortfall amount that the Fund may need to receive in order to pay Minimum Target NAV to the Shareholders. The purpose of holding exposure to the Put Option is to offer an element of capital protection equal to at least 80% of the highest Net Asset Value per Share (subject to disclosures as laid out in Section 14 : Risk Factors below) achieved from the launch of the Sub-Fund onwards (i.e. commencing with the initial offer price). The premium payable for the Put Option will be at normal commercial rates.

The Sub-Fund and the Reference Strategy will only utilise those derivatives that are listed in the risk management process in respect of the Sub-Fund and that have been cleared by the Central Bank as detailed in section 6 “Information on Financial Derivative Instruments”.

Risk Control Mechanism

The Investment Manager rebalances the exposure to the Reference Strategy and the Cash Component...
(which may occur daily) through the Portfolio Total Return Swap, as agreed between the Investment Manager and the Approved Counterparty (as further described below) on the basis of certain volatility rules summarised herein. The rebalancing seeks to control the volatility risk of the Portfolio Strategy by reducing the allocation to the Reference Strategy if and when the realised volatility of the Reference Strategy as observed for certain periods increases. As the realised volatility of the Reference Strategy increases, the exposure to the Reference Strategy is adjusted downwards to a minimum of 0% and the corresponding exposure to the Cash Component is adjusted upwards to a maximum of 150%, such that the anticipated realised volatility of the Portfolio Strategy within the observed periods is consistent with the volatility budget. The volatility budget i.e. the maximum targeted level of annualised change in value of the Portfolio Strategy is between 10% and 12% over the term of the Portfolio Total Return Swap. The monthly performance of the Portfolio Strategy will be capped at between 5% and 6% of the level of the Portfolio Strategy on the last Business Day of the previous month (please see “Capped Performance of Portfolio Strategy” in section 14; “Risk Factors” below). The monthly performance is capped in order to reduce the realised volatility of the exposure to the Portfolio Strategy. The Sub-Investment Manager shall determine the volatility budget and the cap of the monthly performance on a discretionary basis. A lower volatility ensures that the exposure of Portfolio Total Return Swap to the Reference Strategy is maximised, as a higher realised volatility of the Portfolio Strategy would otherwise result in a higher allocation to the Cash Component.

**Securities Financing Transactions**

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements (together with total return swaps “Securities Financing Transactions”) subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

The Sub-Fund’s exposure to Securities Financing Transactions is as set out below (in each case as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps/Margin Finance</td>
<td>300%</td>
<td>310%</td>
</tr>
<tr>
<td>Repurchase Agreements &amp; Reverse Repurchase Agreement</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Stock Lending</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

*The above shows the expected and maximum notional for the total return swaps and does not include the leverage inherent in the Portfolio Strategy.*

**Minimum Target NAV**

The Sub-Fund will aim on each Dealing Day to offer an element of capital protection equal to 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards (i.e. commencing with the initial offer price). The Sub-Fund aims to achieve this capital protection through exposure to the Put Option which forms part of the exposure of the Portfolio Total Return Swap, as described above. The aim of holding exposure to the Put Option, when combined with holding exposure to the Portfolio Strategy, is to deliver the Minimum Target NAV as the Put Option is expected to pay into the assets of the Sub-Fund any shortfall amount that the Fund may need to receive in order to pay the Minimum Target NAV to the Shareholders.

The initial term of the Portfolio Total Return Swaps is five years but the Sub-Fund will aim to periodically extend the Portfolio Total Return Swap.

The Sub-Fund will pay additional premium in relation to the extension of the Portfolio Total Return Swap (which embeds the Put Option) and / or for increasing the allocation to the Reference Strategy within the Portfolio Strategy.

**Termination Date**

The Sub-Fund will terminate on the Business Day following the termination of the Portfolio Total Return Swap (which may occur, for example, as a result of the termination of the Sub-Investment Manager’s appointment in respect of the Sub-Fund). The initial term of the Portfolio Total Return Swap is five years,
but the Sub-Fund will endeavour to extend the maturity of the Portfolio Total Return Swap at least once a year. If the Portfolio Total Return Swap can no longer be extended, the Shareholders will be informed about the expected termination date of the Portfolio Total Return Swap and about the expected termination date of the Sub-Fund (at least 3 months prior to such termination dates).

1.3 Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a medium-term appreciation of capital, with the potential for a longer-term investment horizon.

2. APPROVED COUNTERPARTY(IES)

The sole approved counterparty/counterparties for all off-exchange derivatives and the repurchase agreement is Morgan Stanley or any of its affiliate or subsidiary that is a UCITS eligible counterparty (the “Approved Counterparty”). The Approved Counterparty does not have discretion over the Sub-Fund’s assets.

3. UNFUNDED TOTAL RETURN SWAPS and Reverse Repurchase Transaction

The Sub-Fund may use, as described in 1.2 & 1.2.3 above, a Portfolio Total Return Swap (which will deliver the economic performance of the Portfolio Strategy and the Put Option) and the Financing Swaps (as defined below) (together, the “Swaps”).

3.1 The Portfolio Total Return Swap

The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Portfolio Strategy and the Put Option in exchange for a floating rate of return being paid by the Sub-Fund.

The Portfolio Total Return Swap contains exposure to the Put Option which is held with the aim of providing an element of capital protection equal to at least 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards (i.e. commencing with the initial offer price). The Sub-Fund may enter into more than one Portfolio Return Swap in order to reflect the different management charges applied to different share classes as outlined below.

3.2 The Financing Swaps

The Sub-Fund will purchase Financing Assets (as defined below) and transfer the full economic interest in such Financing Assets (as defined below) to the Approved Counterparty pursuant to swap agreements (the “Financing Swaps”) in exchange for a floating rate of return (i.e., a market rate of return agreed with the Approved Counterparty from time to time generated through the Financing Swaps) being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

“Financing Assets” will include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Strategy. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below “investment grade” by Standard & Poor’s and/or Moody’s or, if unrated, determined to be of equivalent credit quality by the Investment Manager. They may also include (without aggregate limits) UCITS-eligible regulated investment funds (including money market funds and ETFs) domiciled in the EEA, Jersey, Guernsey, the Isle of Man, or the United States, with a maximum management fee of 5% of any such fund’s net assets. Such investment funds will be UCITS funds or non-UCITS collective investment undertakings which are equivalent to UCITS which will deliver exposure to the asset classes of fixed income, equities, foreign exchange and alternative assets (without any minimum or maximum allocation limits for each asset class). The Financing Assets acquired will be those which, in the opinion of the Investment Manager, are suited for the purpose of
meeting the investment objective of the Sub-Fund, based on its assessment of the underlying liquidity of the securities, where it will select securities that match the daily liquidity of the Sub-Fund.

The Approved Counterparty does not have discretion over the Financing Assets.

Financing Assets may have unlimited exposure to emerging market and sub investment grade assets.

Financing Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be listed or traded as they are permitted unlisted investments.

The Sub-Fund may also enter into reverse repurchase agreements with the Approved Counterparty for efficient portfolio management purposes (which will generate a floating rate of return as well). The floating rate of return generated through the reverse repurchase agreement shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.

The Approved Counterparty may provide collateral to the Sub-Fund so that the Sub-Fund's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank as set out under section 6 below.

The Sub-Fund may not enter into fully funded swaps.

The performance of the Sub-Fund will primarily be determined by the performance of the Portfolio Total Return Swap. It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Financing Assets other than in the event of a default by the Approved Counterparty under the terms of the Financing Swap.

4. HEDGING STRATEGY

The Approved Counterparty may incur costs in hedging its obligations under the Swap transactions. Any costs incurred by the Approved Counterparty in implementing its hedging strategy (including costs and fees of the Investment Manager as disclosed in Section 17 on Charges and Expenses) which are paid or reimbursed by Approved Counterparty may ultimately be borne by the Sub-Fund as costs, at normal commercial rates, under the terms of the Swap.

5. INVESTMENT RESTRICTIONS OF THE PORTFOLIO

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

6. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE REFERENCE STRATEGY AND SUB-FUND

The following types of Financial Derivative Instruments will be used within the Reference Strategy (and in the case of Swaps and Forward Currency Exchange Contracts, the Sub-Fund) to provide exposure to fixed income, equities, foreign exchange and alternative assets as set out in more detail in section 1.2 “Investment Policy” above.

Swaps. These include contracts for difference and total return swaps. A contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of swaps can be single name securities, indexes or custom baskets of securities.

Options. Options may be exchange traded or traded over-the-counter options and may have single name securities, indexes or custom baskets of securities as underlying reference assets. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through
negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference assets at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.

**Futures.** The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. The Reference Strategy may employ indices that are comprised of futures.

**Forward Currency Exchange Contracts.** A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The forward currency exchange contracts will be used to hedge the currency risk of Reference Strategy assets, non-base currency share classes and the Financing Assets. The Sub-Fund or Reference Strategy may employ UCITS eligible indices that are comprised of forward or futures currency exchange contracts as well as systematic strategies comprised of rolling forward or futures currency exchange contracts for this purpose. These strategies take a short exposure to a futures contract which is then rolled on to another futures contract systematically, without any discretionary input and are developed and operated by the Strategy Manager as described in section 9 below. The rules of these strategies are agreed in advance with the Investment Manager, on behalf of the Fund.

7. **INVESTMENT MANAGER**

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France.

The Investment Manager is regulated by the Autorité des Marchés Financiers in France. As at 30 April 2017, FundLogic SAS had approximately $4.4 billion of assets under management.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an amendment to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010, as amended (the “Agreement”)

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager, its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Sub-Fund and/or the Fund.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 90 days’ prior written notice (or such other period as may be agreed between the parties).

8. **SUB-INVESTMENT MANAGER**

The Investment Manager has appointed Smart Investment Management Limited as the Sub-Investment Manager, pursuant to the sub-investment management agreement dated 30 July 2015 as novated by a novation agreement between the Investment Manager, the Fund, Praemium Administration Ltd and the Sub-Investment Manager dated 12 October 2017, as may be amended from time to time (the “Sub-Investment Management Agreement”), to provide the Investment Manager with discretionary investment management services in relation to the investments in the Reference Strategy.

The Sub-Investment Manager is incorporated in the UK with a registered office at 4th Floor, Salisbury House, London Wall, London EC2M 5QQ.
The Sub-Investment Manager is regulated by the Financial Conduct Authority in the UK.

The Sub-Investment Manager shall be responsible for loss to the Investment Manager and the Fund to the extent such loss is due to wilful misfeasance, wilful deceit, fraud, bad faith, negligence or material breach by the Sub-Investment Manager by itself, its directors, officers, servants, employees, agents and appointees or for its recklessness, breach of fiduciary duty and any misrepresentation made by or on behalf of the Sub-Investment Manager.

The Sub-Investment Management Agreement may be terminated by either the Investment Manager or the Sub-Investment Manager on giving not less than 3 months prior written notice (or such other period as may be agreed between the parties) to the other party.

9. STRATEGY MANAGER

The Investment Manager has appointed Morgan Stanley & Co. International plc (MSI Plc) as the Strategy Manager to the Sub-Fund to provide the Investment Manager with certain systemic strategy management services in relation to the Sub-Fund. For the avoidance of doubt, the Strategy Manager is responsible solely for determining the composition of each systematic strategy as agreed with the Investment Manager. Therefore, the Strategy Manager does not provide discretionary asset management services to the Sub-Fund and as such has no authority to manage or responsibility for the assets of the Sub-Fund. MSI Plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the Financial Conduct Authority in the UK.

10. SUB-CUSTODIAN

Pursuant to an agreement dated 31 July 2015 (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSIP”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSIP may in such capacity hold certain assets of the Sub-Fund from time to time. MSIP is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and which is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless MSI plc’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to the Depositary or any of its affiliates.

11. SERVICE PROVIDER

The Fund has appointed MSIP (the “Service Provider”) to provide certain services (as detailed below) to the Fund as Service Provider pursuant to a Services Agreement dated 31 July 2015 in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities (facilities to hold foreign exchange or to convert currencies). The Service Provider does not have discretion over the Sub-Fund’s assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

12. RISK MANAGER
Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), MSIP (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days' written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

13. BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Depositary may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The Sub-Fund's gross leverage calculated using the sum of the notional exposure of its derivatives positions (including leverage inherent in the Portfolio Strategy) is expected to be between 300% and 320% of the Net Asset Value of the Sub-Fund and will never exceed 375% of the Net Asset Value of the Sub-Fund.

The aggregate gross exposure of the constituents of the Reference Strategy, as measured using the commitment approach, shall not exceed 150% of the net asset value of the Reference Strategy.

The Sub-Fund may be leveraged through the use of FDI, including through the Portfolio Total Return Swap which provides exposure to the Reference Strategy.

14. RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI or repo that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Company maintains an active oversight of counterparty exposure in line with Regulations and the collateral management process in respect of the Sub-Fund.
The restrictions on cash collateral as set out in the section entitled Efficient Portfolio Management in the Prospectus shall apply. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out in the section entitled Risk Factors in the Prospectus.

**No Exposure to Reference Strategy**

Based on the risk control mechanism, there is a risk that there is no exposure to the Reference Strategy for certain periods. In this case, Shareholders will be exposed to overnight interest rates which might be negative.

**Minimum Target NAV**

The Sub-Fund aims to provide an element of capital protection; however, this will be dependent on the solvency of the Approved Counterparty. In the event of insolvency of Approved Counterparty, the Sub-Fund will be exposed to the performance of Financing Assets.

Investors should note that the Minimum Target NAV does not provide complete capital protection and only aims to provide a payment equal to a minimum of 80% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards. It is important to note that, while a repurchasing Shareholder will receive an amount equal to the Net Asset Value per Share on redemption, each Share may benefit from limited capital protection only, regardless of the Net Asset Value per Share at which such Share was purchased by the Shareholder.

**Differences in the Net Asset Value per Share and the Minimum Target NAV of the Share Classes**

Further, while each Share Class of the Sub-Fund is exposed to the same Portfolio Strategy and aims to provide a return equal to a minimum of 80% of the highest Net Asset Value per Share, there may be differences in the Net Asset Value per Share and the Minimum Target NAV of each of the Share Classes due to the unique characteristics of each Share Class including differences relating to the launch date and currency denomination.

**Capped Performance of Portfolio Strategy**

The monthly performance of the Portfolio strategy is capped at 6% of the Portfolio Strategy level as on last Business Day of previous month. As such, the Sub-Fund participation in Reference Strategy upside will be limited while it will be exposed to the downside in Reference Strategy. This may result in the Sub-Fund underperforming the Reference Strategy.

**Currency Risk**

The Base Currency of the Sub-Fund is GBP. Shareholders may subscribe in USD, Euro, Pound Sterling, or into the USD, EUR or GBP denominated Share Classes respectively.

The EUR and USD denominated Shares are Hedged Share Classes. To the extent that Share class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund’s underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share classes.

Depending on a Shareholder’s currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Sub-Fund. Changes in exchange rates may have an adverse effect on the value, price or income of the Sub-Fund.

**Impact of Currency Fluctuations on Minimum Target NAV**

The Investment Manager seeks to hedge the impact of currency fluctuations on the Minimum Target NAV for base currency and non-base currency share classes, however investors should note that such hedging may not always be successful in protecting the Minimum Target NAV against exchange rate risks.
Such currency fluctuations if unhedged may impact the ability of Investment Manager to have exposure to the Portfolio Total Return Swap in line with the net assets of the Sub-Fund and hence may result in investor proceeds being lower than Minimum Target NAV of the Sub-Fund for both base currency and non-base currency share classes.

**Active Management Risk**

The Sub-Investment Manager decides the composition of the Reference Strategy and so the success of the Sub-Fund depends, among other things, upon the ability of the Sub-Investment Manager to manage the asset allocation within the Reference Strategy. No assurance can be given that the Sub-Investment Manager will be successful in managing the Reference Strategy. Moreover, decisions made by the Sub-Investment Manager may cause the Sub-Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Additionally, the management of the Reference Strategy will result in brokerage and other transaction costs to which the Sub-Fund will be indirectly exposed. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Sub-Fund, nor an opportunity to evaluate the determination of (and any changes to) the specific strategies used, or investments made, by the Sub-Investment Manager within the Reference Strategy or the terms of any such investment.

**Impact of the valuation of Off Exchange Derivatives on the Net Asset Value of the Sub-Fund**

The Sub-Fund invests in complex derivatives (eg, the Financing Swaps and the Portfolio Total Return Swap) whose valuation depends on multiple market parameters. Thus, Shareholders will not be able to derive the Net Asset Value of the Sub-Fund from an increase of the level of the Reference Strategy alone.

**Counterparty Valuation of OTCs**

The value assigned to the OTC derivative instruments shall be the quotation received from the counterparty to such contracts at the Valuation Point. Investors should note that the valuation received from the counterparty will be impacted by the level of redemption or subscriptions received into the Sub-Fund on a daily basis. On a day when net subscriptions/only subscriptions are received, the counterparty will provide a price which is likely to be closer to their offer price for the contract, whereas if there are net redemptions/only redemptions received by the Sub-Fund, the counterparty will provide a price which is likely to be closer to their bid price for the contract. The independent valuation provider, which is appointed by the Board and approved by the custodian, will verify all values received from the counterparty on at least a weekly basis as set out in the Prospectus.

**Depositary/MSIP Insolvency**

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the Depositary and/or MSIP in its capacity as sub-custodian. These risks include without limitation: the loss of all cash which the Custodian and/or MSIP has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust which have not been properly segregated and so identified both at the level of the Depositary and/or MSIP ("trust assets") or client money held by or with the Depositary and/or MSIP in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary and/or MSIP; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

15. **DIVIDEND POLICY**

It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant Share Class.

16. **KEY INFORMATION FOR PURCHASES AND SALES OF SHARES**
Base Currency
GBP

Classes of Shares

Shares in the Sub-Fund will be available in different classes as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Minimum Subsequent Subscription /Minimum Repurchase Amount</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>EUR</td>
<td>Yes</td>
<td>€1,000</td>
<td>€10,000</td>
<td>€1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A</td>
<td>USD</td>
<td>Yes</td>
<td>$1,000</td>
<td>$10,000</td>
<td>$1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A</td>
<td>GBP</td>
<td>No</td>
<td>£1,000</td>
<td>£10,000</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Class C</td>
<td>GBP</td>
<td>No</td>
<td>£1,000</td>
<td>£10,000</td>
<td>£1,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

Investors must subscribe into a Share class in the currency in which that Share class is denominated. Repurchase payments are also made in the currency in which the relevant Share class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

Business Day

Every day (except legal public holidays in New York, London, Paris or Dublin or days on which the stock markets in New York, Paris, Dublin and/or in London are closed) during which banks in New York, Paris, Dublin and London are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders. The 24th and the 31st December are deemed public holidays for the purpose of this Supplement.

Dealing Day

Every Business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

Dealing Deadline

9 AM Irish time on the relevant Dealing Day.
The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

**Settlement Date**

In the case of subscriptions, by 12 Noon Irish time, 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

Close of business on the relevant Dealing Day.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

17. **CHARGES AND EXPENSES**

**Redemption in Specie**

The provisions of section 19 of the Prospectus entitled Repurchase of Shares in respect of the ability of the Directors to satisfy a repurchase request in whole or in part by an in-kind distribution of securities of the relevant Sub-Fund in lieu of cash *with or without consent of the Shareholder shall not apply to the Sub-Fund.*

**Management Charge**

The Fund will pay (i) up to 0.10% per annum in respect of the Class A EUR Shares, Class A USD Shares, Class A GBP Shares and Class C GBP Shares to the Investment Manager (ii) up to 1.7% per annum in respect of the Class A EUR Shares, Class A USD Shares and Class A GBP Shares and (iii) up to 0.25% per annum in respect of the Class C GBP Shares to the Sub Investment Manager from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid monthly in arrears.

**Risk Management, Administrator’s and Depositary’s Fees**

The Fund will pay to the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.15% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of any service provider to the Sub-Fund and in particular, the Administrator and Depositary which are not covered by the Management Charge payable to the Investment Manager and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.
Subscription Charge

A subscription charge of up to 4% of the subscription amount may apply in respect of each Share class. Any subscription charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will, save in respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

18. HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

The Directors reserve the right to reject in whole or part any subscription at their sole discretion, but in particular may do so where the Approved Counterparty is unwilling to agree to an equivalent increase in the notional of the Portfolio Total Return Swap.

19. HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

20. HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

21. ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund will be paid by the Promoter.

22. OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.

23. OTHER INFORMATION

Services Agreement

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, willful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result of, or in connection with, or arising
out of, the Services Agreement, related documents, related transactions and any other matters set out
in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley
Company or their employees or officers in so far as the claims suffered by the same are a direct result
of its fraud, willful default, negligence, breach of applicable law or regulation (other than where the
breach of law or regulation arises as a result of the indemnified person taking any action or inaction on
the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action
required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the
Morgan Stanley Companies, all investments and cash held by the Service Provider and each such
Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute
collateral for the purposes of the rules of the Financial Conduct Authority (the FCA). Investments and
cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley
Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments
which constitute collateral for the purposes of the FCA rules may not be segregated from the Service
Provider’s own investments and may be available to creditors of the Service Provider or the Morgan
Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of
the Agreement, be client money for the purposes of the FCA Rules and will therefore be subject to the
client money protections conferred by the FCA Rules.

Either party may terminate the Services Agreement by giving at least five business days’ prior written
notice. The Service Provider may terminate the Services Agreement with immediate effect if it
determines in its discretion that it has become unlawful under any applicable law for the Service
Provider or the Morgan Stanley Companies or the Fund to perform of any or all of its respective
obligations thereunder.
FundLogic Alternatives plc
Promoter and Distributor
Morgan Stanley & Co. International plc

Supplement dated 25 June 2018
for
ACUMEN Income - Protection Portfolio

This Supplement contains specific information in relation to the ACUMEN Income - Protection Portfolio (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund will be managed by FundLogic SAS (the “Investment Manager”). The Investment Manager has appointed Tavistock Wealth Limited (“Tavistock”) to act as sub-investment manager to the Sub-Fund (the “Sub-Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal exposure may be effected through financial derivative instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate to all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
| 1. | INVESTMENT OBJECTIVE AND POLICIES | 417 |
| 2. | INVESTMENT RESTRICTIONS | 420 |
| 3. | INVESTMENT MANAGER | 420 |
| 4. | SUB-INVESTMENT MANAGER | 421 |
| 5. | SUB-CUSTODIAN | 421 |
| 6. | SERVICE PROVIDER | 422 |
| 7. | RISK MANAGER | 422 |
| 8. | INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE PORTFOLIO STRATEGY AND THE SUB-FUND | 422 |
| 9. | TOTAL RETURN SWAPS | 423 |
| 10. | APPROVED COUNTERPARTY(IES) | 424 |
| 11. | BORROWING AND LEVERAGE | 424 |
| 12. | RISK FACTORS | 424 |
| 13. | DIVIDEND POLICY | 428 |
| 14. | KEY INFORMATION FOR PURCHASES AND SALES OF SHARES | 428 |
| 15. | CHARGES AND EXPENSES | 429 |
| 16. | HOW TO SUBSCRIBE FOR SHARES | 430 |
| 17. | HOW TO SELL SHARES | 430 |
| 18. | HOW TO EXCHANGE SHARES | 430 |
| 19. | ESTABLISHMENT CHARGES AND EXPENSES | 430 |
| 20. | OTHER CHARGES AND EXPENSES | 430 |
| 21. | OTHER INFORMATION | 431 |
1. INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with long term capital growth from a multi-asset portfolio and to achieve a Common Protection Level (expressed as a percentage of the Net Asset Value per Share) for each Share Class. The “Common Protection Level” is the ratio of 85% of the highest Net Asset Value per Share ever achieved by the GBP A Share Class, and the current Net Asset Value per share of the GBP A Share Class.

Shareholders should be aware that there may be differences in the Net Asset Value per Share of each of the US Dollars and Euro share classes (“Hedged Share Classes”) from the GBP Share Class due to the cost of currency hedging and should refer to Section 12 below for further information.

The Hedged Share Classes may be launched on different dates at their Initial Issue Price.

1.2 Investment Policy

The Sub-Fund will take investment exposure to a portfolio of securities and other assets as set out below, where the composition will be determined from time to time by the Sub-Investment Manager (the “Investment Portfolio”). The Investment Portfolio may have exposure to the asset classes of fixed income, equities, foreign exchange and alternatives investments (as described below). The Sub-Investment Manager shall determine the allocation between asset classes and the constituents of each asset class on a discretionary basis, subject to a maximum allocation of 100% of net exposure to fixed income and maximum allocation of 60% of net exposure to equities. The asset allocation process takes into account expected return potentials as well as volatilities and correlations between asset classes and between the constituents within each asset class. The Sub-Investment Manager strives for broad diversification while being reactive to changing market conditions.

The Sub-Fund will adopt a strategy that rebalances between the Investment Portfolio and cash (up to a maximum of 100%) (the “Portfolio Strategy”) as set out in more detail under the Section 1.2.1. “Risk Control Mechanism” and will also gain exposure to a put option that will be held with the aim of achieving the Common Protection Level (the “Put Option”). The Sub-Fund will gain exposure to the Portfolio Strategy and the Put Option through a total return swap (collectively the “Portfolio Swap”) as described below. The Put Option when exercised will require the Approved Counterparty to make a payment to the Sub-Fund in Pound Sterling that will enable the Sub-Fund to achieve the Common Protection Level for each Share Class. Further information in relation to the Portfolio Swap is set out at section 10 “Total Return Swaps” below.

The Investment Portfolio may obtain exposure to the various asset classes in the following manner:

(a) Fixed Income

(i) Direct investment in fixed income securities, such as bonds and money market instruments (such as short and medium-term treasury bills and treasury notes, and certificates of deposit and bankers’ acceptances), which are issued by corporate or government issuers (including those located in emerging markets), which are fixed or floating rate, rated investment grade or below investment grade or unrated and listed or traded on the Markets referred to in Appendix II of the Prospectus;

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to fixed income securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference direct or indirect fixed income investments set out in (i) and (ii) above or eligible indices which are comprised of direct or indirect fixed income investments set out in (i) above.

The exposure to below investment grade securities within the Investment Portfolio will not exceed 30% of the Net Asset Value of the Sub-Fund.
In order to protect the value of Sub-Fund’s assets (Portfolio Strategy and the Put Option) against a rise in interest rates, which would generally lead to a decrease in the value of the assets as described in (a) (i), (ii) and (iii) above, the Sub-Fund may as part of the Investment Portfolio obtain exposure to UCITS eligible indices that provide short exposure to derivative instruments known as bond futures. In the event of an increase in interest rates, the value of the futures contracts is expected to decrease and thus the Investment Portfolio may benefit from having a position in such indices.

Each of the above UCITS eligible index takes exposure to a futures contract on bonds issued by a sovereign issuer which will be sold prior to its expiry date and a new future contract on same underlying issuer is bought.

These indices are developed and operated by MSIP.

(b) Equities

(i) Direct investment in equity and equity related securities, including common and preferred stock (American Depositary Receipts (“ADRs”)) and (Global Depositary Receipts (“GDRs”)), which are issued by corporate issuers (including those located in emerging markets), which are listed or traded on the Markets referred to in Appendix II of the Prospectus (with no specific industry or capitalisation focus);

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to equity securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps and options (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference direct or indirect equities investments set out in (i) and (ii) above or eligible indices which are comprised of equity investments set out in (i) above.

(c) Foreign Exchange

(i) Swaps, options, futures and options on futures and forward currency exchange contracts (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference foreign exchange rates or currencies and UCITS eligible indices with exposure to foreign exchange rates or currencies.

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to foreign exchange investments set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference direct or indirect foreign exchange investments set out in (c)(i) and (c)(ii) above or UCITS eligible indices comprised of rolling forward or futures currency exchange contracts.

Each of the above UCITS eligible index takes a short exposure to a futures contract on foreign exchange which is then rolled on to another futures contract without any discretionary input and are developed and operated by MSIP.

(d) Alternative Assets

(i) Indirect investment through regulated investment funds (including ETFs) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds equivalent to UCITS which provide exposure to alternative assets (private equity, commodities and real estate);

(ii) Indirect investment through exchange traded certificates which are eligible transferable securities providing indirect exposure to commodities. Such exchange traded certificates do not embed leverage or a derivative and are listed or traded on the Markets referred to in Appendix II of the Prospectus.

Any collective investment scheme that the Sub-Fund will gain exposure to under the Portfolio Swap will
not charge annual management fees in excess of 5% of those underlying funds’ respective net asset values. Investments in alternative investment funds, which are equivalent to UCITS, may not, in aggregate, exceed 30% of net asset value. Investment may not be made in any collective investment scheme which itself invests more than 10% of its net asset value in other open-ended collective investment schemes. The Sub-Fund will not obtain exposure to unregulated investment funds.

As described above, the Sub-Fund expects to enter into FDI (Financial Derivatives Instruments) transactions in order to achieve its investment objective. The Investment Portfolio also expects to enter into FDI transactions to gain exposure to the securities referred to above. The Sub-Fund may utilise swaps, options and forward currency exchange contracts. The Sub-Fund may also invest in FDI transactions for efficient portfolio management purposes.

For example: (i) equity swaps may be utilised for efficient cash management; or (ii) single name options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the strategy from movements in the general equity market and (iv) forward currency exchange contracts, currency index futures and currency index forwards in order to hedge the currency risk for the components of the Investment Portfolio.

FDIs may be exchange traded or over-the-counter.

The Sub-Fund will not have an exposure to emerging markets in excess of 35% of the Net Asset Value.

The “long” exposure of the Portfolio Strategy will not exceed 125% of the Net Asset Value and the “short” exposure will not exceed 100% of Net Asset Value.

1.2.1 Risk Control Mechanism

The Investment Manager rebalances (potentially on a daily basis) the exposure between the Investment Portfolio and cash through the Portfolio Swap as agreed between the Investment Manager and the Approved Counterparty (as further described below), systematically on the basis of certain volatility rules summarised below. The rebalancing seeks to control the volatility risk of the Portfolio Strategy by reducing the allocation to the Investment Portfolio if and when the realised volatility of the Portfolio Strategy, as observed for certain periods, increases. As the realised volatility of the Portfolio Strategy increases, the exposure to the Investment Portfolio is adjusted downwards to a minimum of 0% and the corresponding exposure to cash is adjusted upwards to a maximum of 100%, such that the anticipated realised volatility of the Portfolio Strategy within the observed periods is consistent with the volatility budget. The volatility budget i.e. the maximum targeted level of annualised change in value of the Portfolio Strategy will be between 7% and 9% over the term of the Portfolio Swap and is determined by the Sub-Investment Manager on a discretionary basis.

1.2.2 Common Protection Level

The Sub-Fund will on each Dealing Day aim to offer an element of capital protection equal to the Common Protection Level for each share class. This capital protection is intended to be achieved through (i) the Put Option, as part of the Portfolio Swap (as described in section 10.1 below), from the Approved Counterparty that aims to pay any shortfall amount that the Sub-Fund may need to receive in order to pay the Common Protection Level to the Shareholders; and (ii) a legally enforceable guarantee (the “Guarantee”) from Morgan Stanley & Co. International plc (“MSIP” or the “Guarantor”) under which the Guarantor will pay an amount in Pound Sterling so that the Sub-Fund can achieve the Common Protection level for each of the share classes. Further, the Guarantor, or its affiliate, may receive the premium paid for the Put Option at normal commercial rates as it may act as an Approved Counterparty to the Portfolio Swap.

The premium payable for the exposure to the Put Option will be at normal commercial rates. The initial term of both the Portfolio Swap and Guarantee is four years (which could be adjusted to account for the Initial Investment Period, as applicable) but the Sub-Fund will aim to periodically extend the term. The Sub-Fund will pay additional premiums in relation to this extension.

MSIP is a public company incorporated with limited liability under the laws of England and Wales whose registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA. MSIP is an indirect wholly owned subsidiary of Morgan Stanley. The principal activity of MSIP is the provision of financial services to corporations, governments, financial institutions and individual investors. It is authorised and
regulated by the U.K. Financial Conduct Authority. The share capital of MSIP is 11,765 Million USD and the book value is 23,091 Million USD as of 31 December 2016.

1.2.3 Termination

Following the termination or maturity of the Guarantee or the Portfolio Swap, the Sub-Fund will terminate on the Business Day following the termination or at maturity of either the Guarantee or the Portfolio Swap. As above, the initial term of both the Guarantee and the Portfolio Swap is four years (which could be adjusted to account for the Initial Investment Period, as applicable and is subject to the Early Termination provision below in relation to the Guarantee), but the Sub-Fund will endeavour to extend the term periodically. If it is not possible to achieve this extension and the Directors determine that a termination of the Sub-Fund is likely to result, then Shareholders will be informed about the expected termination date of the Sub-Fund at least 3 months prior to such termination date.

1.2.4 Early Termination

The Guarantor may early terminate the Guarantee if (a) the Guarantee no longer complies with laws and regulations which are relevant for providing guarantees to UCITS funds; (b) the Guarantor no longer has the authorisation to provide the Guarantee; (c) termination of the GBP A share class or (d) upon the termination of the Portfolio Swap.

In the event of Early Termination, the Guarantor will pay the amounts described in section 1.2.2 “Common Protection Level” above in relation to the Put Option and the Guarantee.

1.3 Securities Financing Transaction Regulation

The Sub-Fund will not enter into repurchase and reverse repurchase agreements or stock lending agreements. The Sub-Fund’s exposure to total return swaps is set out below (as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return Swaps</td>
<td>200%</td>
</tr>
</tbody>
</table>

The above shows the expected and maximum notional for the total return swaps and does not reflect the leverage inherent in the Portfolio Strategy and Put Option exposure inherent in the Portfolio Swap.

1.4 Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a medium-term appreciation of capital, with the potential for a longer-term investment horizon.

2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3. INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France. As at 31 December 2017, FundLogic SAS had approximately $5.5 billion of assets under management.

The Investment Manager is regulated by the Autorité des Marchés Financiers in France.
Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an amendment to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010, as amended (the “Agreement”).

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager, its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Sub-Fund and/or the Fund.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 180 days' prior written notice (or such other period as may be agreed between the parties).

4. SUB-INVESTMENT MANAGER

The Investment Manager has appointed Tavistock Wealth Limited as the Sub-Investment Manager, pursuant to the sub-investment management agreement between the Investment Manager, the Fund and the Sub-Investment Manager dated 2 May 2018, as amended from time to time (the “Sub-Investment Management Agreement”), to provide the Investment Manager with discretionary investment management services in relation to the investments in the Investment Portfolio.

The Sub-Investment Manager has its registered office at 1 Bracknell Beeches, Old Bracknell Lane, Bracknell, RG12 7BW. It is authorised and regulated by the FCA in United Kingdom as a MiFID firm. Its principal activity is providing collective portfolio management services.

The Sub-Investment Manager shall be responsible for loss to the Investment Manager and the Fund to the extent such loss is due to wilful misfeasance, wilful deceit, fraud, bad faith, negligence or breach by the Sub-Investment Manager by itself, its directors, officers, servants, employees, agents and appointees or for its recklessness, breach of fiduciary duty and any misrepresentation made by or on behalf of the Sub-Investment Manager.

The Sub-Investment Management Agreement may be terminated by either the Investment Manager or the Sub-Investment Manager on giving not less than 180 days prior written notice (or such other period as may be agreed between the parties) to the other party.

5. SUB-CUSTODIAN

Pursuant to an agreement dated 2 May 2018 (the “Sub-Custody Agreement”), the Depositary has appointed Morgan Stanley & Co. International plc (“MSI plc”) as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days’ written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc’s written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless MSI plc’s liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to the Depositary or any of its affiliates.
6. SERVICE PROVIDER

The Fund has appointed MSI plc (the “Service Provider”) to provide certain services (being the services set out in the paragraph immediately below) to the Fund as Service Provider pursuant to a Services Agreement dated 2 May 2018 in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities (facilities to hold foreign exchange or to convert currencies). The Service Provider does not have discretion over the Sub-Fund’s assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund on an arm’s length basis and at normal market rates.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

7. RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), MSI plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds. Any costs or fees associated with this will be paid from the Charges and Expenses as described in Section 16.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days’ written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

8. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE PORTFOLIO STRATEGY AND THE SUB-FUND

The following types of Financial Derivative Instruments may be used within the Portfolio Strategy and Sub-Fund to provide exposure to equities, fixed income and cash assets as set out in more detail in Section 1.2 “Investment Policy” above and to hedge currency impact for the non-Base Currency share classes.

Swaps. These include contracts for difference and total return swaps. A contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of swaps can be but not limited to single name securities, indexes or custom baskets of securities. See Section 10 below for further details.

Options. Options may be exchange traded or traded over-the-counter options and may have but not limited to single name securities, indexes or custom baskets of securities as underlying reference assets. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally
established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference assets at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.

**Futures.** The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. The Investment Portfolio may employ indices that are comprised of futures. The Sub-Fund may employ futures on equities, currencies, fixed income securities and interest rates.

**Forward Currency Exchange Contracts.** A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The forward currency exchange contracts will be used to hedge the currency risk of Investment Portfolio assets. The Sub-Fund or Investment Portfolio may obtain exposure to indices that are comprised of rolling forward or futures currency exchange contracts for this purpose and as well direct investment in forward currency exchange contracts.

9. **TOTAL RETURN SWAPS**

The Sub-Fund may use, as described above in 1.2, 1.2.2 and 1.2.3, a Portfolio Swap (which will deliver the economic performance of the Portfolio Strategy and the Put Option) and for the purpose of efficient portfolio management, a Financing Swap (as defined below).

9.1 **The Portfolio Swap**

The Portfolio Swap will give the Sub-Fund the economic exposure to the Portfolio Strategy and the Put Option in exchange for a floating rate of return (i.e. a market rate of return agreed with the Approved Counterparty from time to time that may be received by the Sub-Fund through the Financing Swap as described in Section 10.2 below) being paid by the Sub-Fund.

The Portfolio Swap contains exposure to the Put Option.

9.2 **The Financing Swap**

The Sub-Fund will purchase Financing Assets (as detailed below) and transfer the full economic interest in such assets to the Approved Counterparty pursuant to swap agreements (the “Financing Swap”) in exchange for a floating rate of return (i.e. a market rate of return agreed with the Approved Counterparty from time to time) being received by the Sub-Fund from the Approved Counterparty.

“Financing Assets” will include an investment of up to 100% in the UCITS-eligible regulated investment funds (including money market funds and ETFs) domiciled in the EEA, Jersey, Guernsey, the Isle of Man, or the United States. Such investment funds will be UCITS funds or alternative investment funds which are equivalent to UCITS which will deliver exposure to the asset classes of equities, fixed income, foreign exchange and alternative assets. They may also include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time and will not embed leverage) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Portfolio Strategy.

The Financing Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. The Financing Assets will have no more than 35% exposure to emerging markets.

The assets acquired will be those which, based on the Investment Manager’s assessment of the underlying liquidity of the securities as measured by the average daily trading volume, meets the daily liquidity of the Sub-Fund. The Investment Manager, when selecting the components of the Fund Assets,
takes into account liquidity (for instance, looking at the daily liquidity of a stock observed during the past three months).

The Approved Counterparty does not have discretion over the selection of the Financing Assets.

It is not anticipated that the Sub-Fund will be exposed to the performance or risks of the Financing Assets other than in the event of a default by the Approved Counterparty under the terms of the Financing Swap.

The Sub-Fund’s exposure to the Approved Counterparty will be managed in one or more ways including through collateral provided to the Sub-Fund by the Approved Counterparty, a re-set of the counterparty exposure as permitted by the Central Bank.

10. APPROVED COUNTERPARTY(IES)

The sole approved counterparty/counterparties for all off exchange derivatives is Morgan Stanley or any of its affiliate or subsidiaries that is a UCITS eligible counterparty (the “Approved Counterparty”). The Approved Counterparty does not have discretion over the Sub-Fund’s assets.

The Directors may from time to time, in their sole discretion, approve additional UCITS eligible counterparties. Any such additional counterparties will be disclosed in the annual report in respect of the Sub-Fund.

The Sub-Fund will pay a premium (which may be partly on an upfront basis and partly on a running basis) to the Approved Counterparty for exposure to the Put Option, under the Portfolio Swap, at normal commercial rates. In addition the costs and fees of the Investment Manager, Sub Investment Manager and Promoter’s Fees (disclosed in Section 16 on Charges and Expenses) which are paid or reimbursed by Approved Counterparty may ultimately be borne by the Sub-Fund as costs, under the terms of the Portfolio Swap. Under the terms of the Portfolio Swap if the Approved Counterparty suffers a material increase in the cost of hedging the Portfolio Swap then such increase in costs may have to be borne by the Sub-Fund.

11. BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund, provided that such borrowing is only for temporary purposes and cannot be for the purpose of investments. The Fund may incur costs in relation to such borrowing.

In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99%, a holding period of 20 days and a historical observation period of at least one year. The absolute VaR of the Sub-Fund will be calculated daily.

The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 300% and 320% of the Net Asset Value of the Sub-Fund and will never exceed 330% of the Net Asset Value of the Sub-Fund.

The maximum gross notional exposure of the Sub-Fund of 330% is comprised of the following elements: (i) up to 100% of Net Asset Value under the Portfolio Swap, which in turn provides exposure to the Portfolio Strategy. Portfolio Strategy can have long exposure of 125 % of the Net Asset Value and short exposure of 100% of the Net Asset Value and as such total gross exposure of up to 225% of the Net Asset Value and (ii) up to 105% of Net Asset Value under the Financing Swap.

The Sub-Fund will use the absolute VaR risk measurement approach and any reference to the commitment approach in respect of the Portfolio Strategy in this Supplement is intended solely as a supplementary disclosure to investors and relates to the Portfolio Strategy and not the Sub-Fund. The Sub-Fund may be leveraged through the use of FDI, including through the Portfolio Swap which provides exposure to the Portfolio Strategy.

12. RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.
The following additional risk factors also apply:

**Counterparty Risk**

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI or repurchase agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure in line with Regulations and the collateral management process in respect of the Sub-Fund.

The restrictions on cash collateral as set out in the section entitled Efficient Portfolio Management in the Prospectus shall apply. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out in the section entitled Risk Factors in the Prospectus.

**Low Exposure to Portfolio Strategy**

Based on the risk control mechanism, if the realised volatility of the Portfolio Strategy exceeds the volatility budget there is a risk that there is low exposure to the Portfolio Strategy for certain periods. In this case, Shareholders will be exposed to overnight interest rates which might be negative.

**Termination of Sub-Investment Management Services**

The Investment Manager has appointed Tavistock Wealth Limited as the Sub-Investment Manager, to provide the discretionary investment management services in respect of the Investment Portfolio and in respect of the determination of the volatility budget. As such the Sub-Investment Manager has a significant input in respect of the ability of the Sub-Fund to meet its Investment Objective. As such, termination of Sub-Investment Management Services may have a material adverse impact on the performance of the Sub-Fund or may result in termination of the Sub-Fund.

Further, the provision of **Sub-Investment Management Services** by the Sub-Investment Manager is significantly dependent on the investment ability of Christopher Peel, the CIO of the Sub-Investment Manager (“Key Man”). The ability of the Sub-Fund to achieve its objective might be adversely affected, therefore, in the event that the Key Man ceases to devote substantially all of his business time to the business of the Sub-Investment Manager or to participate actively in the management of the Sub-Fund and that a suitable replacement could not be found.

**Common Protection Level**

The Sub-Fund aims to provide an element of capital protection, however, this will be dependent on the solvency of the Approved Counterparty. In the event of insolvency of the Approved Counterparty, the Sub-Fund will be exposed to the performance of the Financing Assets.

Investors should note that the Common Protection Level does not provide complete capital protection and only aims to provide a protection level equal to 85% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards by the Class A GBP Shares expressed as a percentage of the current Net Asset Value per share of the GBP A Share Cass for each Share Class.

On each Dealing Day the Common Protection Level = 85 % x (the highest Net Asset Value per Share ever achieved by the GBP A share class) / Net Asset Value of the GBP A share class on such Dealing Day

The Common Protection Level is then multiplied by the Net Asset Value of each share class in order to calculate the protection amount for each share class.

Further, while each share class of the Sub-Fund is exposed to the same Portfolio Strategy and Put Option aiming to deliver a protection level equivalent to the Common Protection Level, there may be
differences in the Net Asset Value per Share of each of the Share Classes due to the cost of currency hedging as attributed to the relevant non-Base Currency Share Class. These differences are on account of cost of currency hedging are not protected by the Put Option and/or Guarantee.

An indicative example is as follows:

- If on a given day, the highest Net Asset Value per Share ever achieved by the GBP A Share Class is £100 and its current Net Asset Value per Share is £96, the Common Protection Level is calculated as $85% \times \frac{\£100}{\£96} = 88.54\%$.

- This Common Protection Level will be applied to each share class.

- If the Class A GBP Share current Net Asset Value per Share is £96, the corresponding protection amount is calculated by £96 \times 88.54\% = £85.

- However, if the Class A EUR Share current Net Asset Value per Share is €95, the corresponding protection amount is calculated as €95 \times 88.54\% = €84.11.

- Similarly, if the Class A USD Share current Net Asset Value per Share is USD 95, the corresponding protection amount is calculated as USD 95 \times 88.54\% = USD 84.11.

Thus each Share Class of the Sub-Fund, including Hedged Share Classes, benefits from the same Common Protection Level. Nevertheless the costs and impacts associated to the currency hedging program incurred by the Hedged Share Classes are not protected by the Put Option and/or Guarantee and could adversely impact the Hedged Share Classes Net Asset Value per Share.

It is important to note that, while a repurchasing Shareholder will receive an amount equal to the Net Asset Value per Share of the relevant Class on the Settlement Date, each Share may benefit from limited capital protection only (by reference to Common Protection Level), regardless of the Net Asset Value per Share at which such Share was purchased by the Shareholder.

The amount that may be received under the Portfolio Swap following the Put Option exercise or from the Guarantor under the Guarantee will be paid in Pound Sterling to the Sub Fund. Amounts paid to Shareholders will be converted at the relevant foreign exchange rate for each share class currency.

As a consequence in case of exercise of the Put Option and/or the Guarantee, Shareholders investing in non-Base Currency (EUR and USD share classes) may expect to have their investment impacted by currency risk for the period in between the payment under the Put Option and/or the Guarantee and the conversion of relevant amount into the currency of the relevant share class.

**Currency Risk**

The Sub-Fund’s performance may be influenced by movements in currency exchange rates because the Investment Portfolio may hold securities positions that are not denominated in the Base Currency of the Sub-Fund.

Further, the Base Currency of the Sub-Fund is GBP. Shareholders may subscribe in USD, EUR, GBP, or into the USD, EUR or GBP denominated Share Classes respectively.

The EUR and USD denominated Shares are Hedged Share Classes. To the extent that Share class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund’s underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share classes.

**Active Management Risk**
The Sub-Investment Manager decides the composition of the Investment Portfolio and the volatility budget of the Portfolio Strategy and so the success of the Sub-Fund depends, among other things, upon the ability of the Sub-Investment Manager to manage the asset allocation within the Investment Portfolio. No assurance can be given that the Sub-Investment Manager will be successful in managing the Investment Portfolio and make an optimal determination of the volatility budget of the Portfolio Strategy. Moreover, decisions made by the Sub-Investment Manager may cause the Sub-Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalised. Additionally, the management of the Portfolio Strategy will result in brokerage and other transaction costs to which the Sub-Fund will be indirectly exposed. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Sub-Fund, nor an opportunity to evaluate the determination of (and any changes to) the specific strategies used, or investments made, by the Sub-Investment Manager within the Investment Portfolio or the terms of any such investment.

**Impact of the valuation of Off Exchange Derivatives on the Net Asset Value of the Sub-Fund**

The Sub-Fund invests in derivatives, the valuation of which depends on multiple market parameters. Thus, Shareholders will not be able to derive the Net Asset Value of the Sub-Fund from an increase of the level of the Portfolio Strategy alone.

**MSIP as index sponsor:**

MSIP acts as index sponsor in respect of the UCITS eligible indices that the Investment Portfolio may have exposure to, as outlined in section 1.2 above.

In light of MSIP acting as index sponsor of the UCITS eligible indices, the conflict of interest protections described in Section 25 of the Prospectus entitled “Sub-Fund Transactions and Conflicts of Interest” shall be adhered to.

**Impact of subscription/redemption on the OTC valuation**

The value assigned to the OTC derivative instruments shall be the quotation received from the counterparty to such contracts at the Valuation Point. Investors should note that the valuation received from the counterparty will be impacted by the level of redemption or subscriptions received into the Sub-Fund on a daily basis. On a day when net subscriptions/only subscriptions are received, the counterparty will provide a price which is likely to be closer to their offer price for the contract, whereas if there are net redemptions/only redemptions received by the Sub-Fund, the counterparty will provide a price which is likely to be closer to their bid price for the contract. The independent valuation provider, which is appointed by the Board and approved by the custodian, will verify all values received from the counterparty on at least a weekly basis as set out in the Prospectus.

**Term and Limitation of the Guarantee**

No assurance can be given that the Guarantee will be extended. There is a risk that the Guarantee is terminated early. Further the Guarantee is only protecting the Common Protection Level for each share class and will not protect any impact of exchange rate on both Base Currency and non-Base Currency share classes.

**Depositary/MSI plc Insolvency**

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors (“Insolvency”) of the Depositary and/or MSI plc in its capacity as sub-custodian. These risks include without limitation: the loss of all cash which the Depositary and/or MSI plc has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust which have not been properly segregated and so identified both at the level of the Depositary and/or MSI plc (“trust assets”) or client money held by or with the Depositary and/or MSI plc in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary and/or MSI plc; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.
13. **DIVIDEND POLICY**

It is not the intention of the Directors to declare a dividend in respect of any Share class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant class of Shares.

14. **KEY INFORMATION FOR PURCHASES AND SALES OF SHARES**

**Base Currency**

GBP

**Classes of Shares**

Shares in the Sub-Fund will be available in the following class:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A GBP Shares</td>
<td>GBP</td>
<td>No</td>
<td>£100</td>
<td>£1,000</td>
<td>10</td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>EUR</td>
<td>Yes</td>
<td>€100</td>
<td>€1,000</td>
<td>10</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>USD</td>
<td>Yes</td>
<td>$100</td>
<td>$1,000</td>
<td>10</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount and the Minimum Holding Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

**Initial Offer Period**

The Initial Offer Period for Class A EUR and the Class A USD Shares will be from 9.00 am (Irish time) on 26 June 2018 until 5:30 pm (Irish time) on 23 December 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Class A GBP Shares are available at their Net Asset Value on each Dealing Day.

**Initial Investment Period**

Following the close of the Initial Offer Period, the Sub-Fund may initially invest its assets solely in bank deposits and/or Financing Assets in order to enter into the Financing Swap pending its investment in the Portfolio Swap. During such period, which is not expected to exceed three months from the date of close of Initial Offer Period (the “Initial Investment Period”), the Sub-Fund will not be exposed to the Portfolio Swap.
Business Day

Every day (except legal public holidays in London, Paris, New York or Dublin or days on which the stock markets in London, Paris and New York are closed) during which banks in London, Paris, New York or Dublin are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders. The 24th and the 31st December are deemed public holidays for the purpose of this Supplement.

Dealing Day

Every Business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

Dealing Deadline

10 AM Irish time on the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

Settlement Date

In the case of subscriptions, by 12 Noon Irish time, 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

Valuation Point

Close of business on the relevant Dealing Day.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. With regards to the valuation of OTC FDI, some of the underlying of which are UCITS eligible indices, the OTC FDI and thus the Sub-Fund’s Net Asset Value will be computed using the level officially published by the index calculation agent for the latest available close on the day on which the Net Asset Value is calculated by the Administrator.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

15. CHARGES AND EXPENSES

Redemption in Specie

The provisions of the section of the Prospectus entitled Repurchase of Shares in respect of the ability of the Directors to satisfy a repurchase request in whole or in part by an in-kind distribution of securities of the relevant Sub-Fund in lieu of cash with or without consent of the Shareholder shall not apply to the Sub-Fund.
Fund Expenses

The Fund will pay up to 1% per annum in aggregate to the (a) Investment Manager (b) Sub-Investment Manager and (c) the Promoter from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to each class of Shares, which is accrued daily and paid quarterly in arrears.

The maximum fees paid by the Fund to the Sub-Investment Manager will be 0.88% of Net Asset Value per annum.

The Promoter will, inter alia, pay the fees and expenses of any service provider to the Sub-Fund (other than the Investment Manager and the Sub-Investment Manager) and in particular, the Administrator and Depositary and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Initial, Exchange and Repurchase Charges

The Sub-Fund will not impose an anti-dilution levy or any initial, exchange or repurchase charges. The Distributor will not be entitled to any other fees out of the assets of the Fund.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will be paid out of the assets of the Sub-Fund.

16. HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

The Directors reserve the right to reject in whole or part any subscription at their sole discretion, but in particular may do so where the Approved Counterparty is unwilling to agree to an equivalent increase in the notional of the Portfolio Total Return Swap.

17. HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

18. HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

19. ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund will be paid by the Promoter.

20. OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.
21. OTHER INFORMATION

Services Agreement

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, willful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result of, or in connection with, or arising out of, the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, willful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the rules of the Financial Conduct Authority (the “FCA”). Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Agreement, be client money for the purposes of the FCA rules and will therefore be subject to the client money protections conferred by the FCA rules.

Either party may terminate the Services Agreement by giving at least five business days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies or the Fund to perform of any or all of its respective obligations thereunder.
FundLogic Alternatives plc
Promoter and Distributor
Morgan Stanley & Co. International plc

Supplement dated 25 June 2018
for
ACUMEN Capital Protection Portfolio

This Supplement contains specific information in relation to the ACUMEN Capital Protection Portfolio (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the “Fund”), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the Regulations. The Sub-Fund will be managed by FundLogic SAS (the “Investment Manager”). The Investment Manager has appointed Tavistock Wealth Limited (“Tavistock”) to act as sub-investment manager to the Sub-Fund (the “Sub-Investment Manager”).

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 21 July 2017 (the “Prospectus”).

The Sub-Fund’s principal exposure may be effected through financial derivative instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate to all investors.

The Directors of the Fund whose names appear in the section entitled Directors of the Fund in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. INVESTMENT OBJECTIVE AND POLICIES</td>
<td>434</td>
</tr>
<tr>
<td>2. INVESTMENT RESTRICTIONS</td>
<td>437</td>
</tr>
<tr>
<td>3. INVESTMENT MANAGER</td>
<td>437</td>
</tr>
<tr>
<td>4. SUB-INVESTMENT MANAGER</td>
<td>438</td>
</tr>
<tr>
<td>5. SUB-CUSTODIAN</td>
<td>438</td>
</tr>
<tr>
<td>6. SERVICE PROVIDER</td>
<td>439</td>
</tr>
<tr>
<td>7. RISK MANAGER</td>
<td>439</td>
</tr>
<tr>
<td>8. INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE PORTFOLIO</td>
<td>439</td>
</tr>
<tr>
<td>9. STRATEGY AND THE SUB-FUND</td>
<td></td>
</tr>
<tr>
<td>10. TOTAL RETURN SWAPS</td>
<td>440</td>
</tr>
<tr>
<td>11. APPROVED COUNTERPART(IES)</td>
<td>441</td>
</tr>
<tr>
<td>12. BORROWING AND LEVERAGE</td>
<td>441</td>
</tr>
<tr>
<td>13. RISK FACTORS</td>
<td>442</td>
</tr>
<tr>
<td>14. DIVIDEND POLICY</td>
<td>445</td>
</tr>
<tr>
<td>15. KEY INFORMATION FOR PURCHASES AND SALES OF SHARES</td>
<td>445</td>
</tr>
<tr>
<td>16. CHARGES AND EXPENSES</td>
<td>446</td>
</tr>
<tr>
<td>17. HOW TO SUBSCRIBE FOR SHARES</td>
<td>447</td>
</tr>
<tr>
<td>18. HOW TO SELL SHARES</td>
<td>447</td>
</tr>
<tr>
<td>19. HOW TO EXCHANGE SHARES</td>
<td>447</td>
</tr>
<tr>
<td>20. ESTABLISHMENT CHARGES AND EXPENSES</td>
<td>447</td>
</tr>
<tr>
<td>21. OTHER CHARGES AND EXPENSES</td>
<td>447</td>
</tr>
<tr>
<td>22. OTHER INFORMATION</td>
<td>448</td>
</tr>
</tbody>
</table>
INVESTMENT OBJECTIVE AND POLICIES

1.1 Investment Objective

The Sub-Fund’s investment objective is to provide Shareholders with long term capital growth from a multi-asset portfolio and to achieve a Common Protection Level (expressed as a percentage of the Net Asset Value per Share) for each Share Class. The “Common Protection Level” is the ratio of 90% of the highest Net Asset Value per Share ever achieved by the GBP A Share Class, and the current Net Asset Value per share of the GBP A Share Class.

Shareholders should be aware that there may be differences in the Net Asset Value per Share of each of the US Dollars and Euro share classes (“Hedged Share Classes”) from the GBP Share Class due to the cost of currency hedging and should refer to Section 12 below for further information.

The Hedged Share Classes may be launched on different dates at their Initial Issue Price.

1.2 Investment Policy

The Sub-Fund will take investment exposure to a portfolio of securities and other assets as set out below, where the composition will be determined from time to time by the Sub-Investment Manager (the “Investment Portfolio”). The Investment Portfolio may have exposure to the asset classes of fixed income, equities, foreign exchange and alternatives investments (as described below). The Sub-Investment Manager shall determine the allocation between asset classes and the constituents of each asset class on a discretionary basis, subject to a maximum allocation of 100% of net exposure to fixed income and maximum allocation of 60% of net exposure to equities. The asset allocation process takes into account expected return potentials as well as volatilities and correlations between asset classes and between the constituents within each asset class. The Sub-Investment Manager strives for broad diversification while being reactive to changing market conditions.

The Sub-Fund will adopt a strategy that rebalances between the Investment Portfolio and cash (up to a maximum of 100%) (the “Portfolio Strategy”) as set out in more detail under the Section 1.2.1. “Risk Control Mechanism” and will also gain exposure to a put option that will be held with the aim of achieving the Common Protection Level (the “Put Option”). The Sub-Fund will gain exposure to the Portfolio Strategy and the Put Option through a total return swap (collectively the “Portfolio Swap”) as described below. The Put Option when exercised will require the Approved Counterparty to make a payment to the Sub-Fund in Pound Sterling that will enable the Sub-Fund to achieve the Common Protection Level for each Share Class. Further information in relation to the Portfolio Swap is set out at section 10 “Total Return Swaps” below.

The Investment Portfolio may obtain exposure to the various asset classes in the following manner:

(a) Fixed Income

(i) Direct investment in fixed income securities, such as bonds and money market instruments (such as short and medium-term treasury bills and treasury notes, and certificates of deposit and bankers’ acceptances), which are issued by corporate or government issuers (including those located in emerging markets), which are fixed or floating rate, rated investment grade or below investment grade or unrated and listed or traded on the Markets referred to in Appendix II of the Prospectus;

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to fixed income securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference direct or indirect fixed income investments set out in (i) and (ii) above or eligible indices which are comprised of direct or indirect fixed income investments set out in (i) above.

The exposure to below investment grade securities within the Investment Portfolio will not exceed 30% of the Net Asset Value of the Sub-Fund
In order to protect the value of Sub-Fund’s assets (Portfolio Strategy and the Put Option) against a rise in interest rates, which would generally lead to a decrease in the value of the assets as described in (a) (i), (ii) and (iii) above, the Sub-Fund may as part of the Investment Portfolio obtain exposure to UCITS eligible indices that provide short exposure to derivative instruments known as bond futures. In the event of an increase in interest rates, the value of the futures contracts is expected to decrease and thus the Investment Portfolio may benefit from having a position in such indices.

Each of the above UCITS eligible index takes exposure to a futures contract on bonds issued by a sovereign issuer which will be sold prior to its expiry date and a new future contract on same underlying issuer is bought.

These indices are developed and operated by MSIP.

(b) Equities

(i) Direct investment in equity and equity related securities, including common and preferred stock (American Depositary Receipts (“ADRs”)) and (Global Depositary Receipts (“GDRs”)), which are issued by corporate issuers (including those located in emerging markets), which are listed or traded on the Markets referred to in Appendix II of the Prospectus (with no specific industry or capitalisation focus);

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to equity securities set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps and options (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference direct or indirect equities investments set out in (i) and (ii) above or eligible indices which are comprised of equity investments set out in (i) above.

(c) Foreign Exchange

(i) Swaps, options, futures and options on futures and forward currency exchange contracts (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference foreign exchange rates or currencies and UCITS eligible indices with exposure to foreign exchange rates or currencies.

(ii) Indirect investment through regulated investment funds (including ETFs) with exposure to foreign exchange investments set out in (i) above, which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds which are equivalent to UCITS; and

(iii) Total return swaps (as set out in more detail in section 9 “Information on Financial Derivative Instruments” below) which reference direct or indirect foreign exchange investments set out in (c)(i) and (c)(ii) above or UCITS eligible indices comprised of rolling forward or futures currency exchange contracts.

Each of the UCITS eligible index takes a short exposure to a futures contract on foreign exchange which is then rolled on to another futures contract without any discretionary input and are developed and operated by MSIP.

(d) Alternative Assets

(i) Indirect investment through regulated investment funds (including ETFs) which are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and which are UCITS funds or alternative investment funds equivalent to UCITS which provide exposure to alternative assets (private equity, commodities and real estate);

(ii) Indirect investment through exchange traded certificates which are eligible transferable securities providing indirect exposure to commodities. Such exchange traded certificates do not embed leverage or a derivative and are listed or traded on the Markets referred to in Appendix II of the Prospectus.

Any collective investment scheme that the Sub-Fund will gain exposure to under the Portfolio Swap will not charge annual management fees in excess of 5% of those underlying funds’ respective net asset value.
values. Investments in alternative investment funds, which are equivalent to UCITS, may not, in aggregate, exceed 30% of net asset value. Investment may not be made in any collective investment scheme which itself invests more than 10% of its net asset value in other open-ended collective investment schemes. The Sub-Fund will not obtain exposure to unregulated investment funds.

As described above, the Sub-Fund expects to enter into FDI (Financial Derivatives Instruments) transactions in order to achieve its investment objective. The Investment Portfolio also expects to enter into FDI transactions to gain exposure to the securities referred to above. The Sub-Fund may utilise swaps, options and forward currency exchange contracts. The Sub-Fund may also invest in FDI transactions for efficient portfolio management purposes.

For example: (i) equity swaps may be utilised for efficient cash management; or (ii) single name options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the strategy from movements in the general equity market and (iv) forward currency exchange contracts, currency index futures and currency index forwards in order to hedge the currency risk for the components of the Investment Portfolio.

FDIs may be exchange traded or over-the-counter.

The Sub-Fund will not have an exposure to emerging markets in excess of 35% of the Net Asset Value.

The “long” exposure of the Portfolio Strategy will not exceed 125% of the Net Asset Value and the “short” exposure will not exceed 100% of Net Asset Value.

1.2.1 Risk Control Mechanism

The Investment Manager rebalances (potentially on a daily basis) the exposure between the Investment Portfolio and cash through the Portfolio Swap as agreed between the Investment Manager and the Approved Counterparty (as further described below), systematically on the basis of certain volatility rules summarised below. The rebalancing seeks to control the volatility risk of the Portfolio Strategy by reducing the allocation to the Investment Portfolio if and when the realised volatility of the Portfolio Strategy, as observed for certain periods, increases. As the realised volatility of the Portfolio Strategy increases, the exposure to the Investment Portfolio is adjusted downwards to a minimum of 0% and the corresponding exposure to cash is adjusted upwards to a maximum of 100%, such that the anticipated realised volatility of the Portfolio Strategy within the observed periods is consistent with the volatility budget. The volatility budget i.e. the maximum targeted level of annualised change in value of the Portfolio Strategy will be between 5% and 7% over the term of the Portfolio Swap and is determined by the Sub-Investment Manager on a discretionary basis.

1.2.2 Common Protection Level

The Sub-Fund will on each Dealing Day aim to offer an element of capital protection equal to the Common Protection Level for each share class. This capital protection is intended to be achieved through (i) the Put Option, as part of the Portfolio Swap (as described in section 10.1 below), from the Approved Counterparty that aims to pay any shortfall amount that the Sub-Fund may need to receive in order to pay the Common Protection Level to the Shareholders; and (ii) a legally enforceable guarantee (the “Guarantee”) from Morgan Stanley & Co. International plc (“MSIP” or the “Guarantor”) under which the Guarantor will pay an amount in Pound Sterling so that the Sub-Fund can achieve the Common Protection level for each of the share classes. Further, the Guarantor, or its affiliate, may receive the premium paid for the Put Option at normal commercial rates as it may act as an Approved Counterparty to the Portfolio Swap.

The premium payable for the exposure to the Put Option will be at normal commercial rates. The initial term of both the Portfolio Swap and Guarantee is four years (which could be adjusted to account for the Initial Investment Period, as applicable) but the Sub-Fund will aim to periodically extend the term. The Sub-Fund will pay additional premiums in relation to this extension.

MSIP is a public company incorporated with limited liability under the laws of England and Wales whose registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA. MSIP is an indirect wholly owned subsidiary of Morgan Stanley. The principal activity of MSIP is the provision of financial services to corporations, governments, financial institutions and individual investors. It is authorised and
regulated by the U.K. Financial Conduct Authority. The share capital of MSIP is 11,765 Million USD and the book value is 23,091 Million USD as of 31 December 2016.

1.2.3 Termination

Following the termination or maturity of the Guarantee or the Portfolio Swap, the Sub-Fund will terminate on the Business Day following the termination or at maturity of either the Guarantee or the Portfolio Swap. As above, the initial term of both the Guarantee and the Portfolio Swap is four years (which could be adjusted to account for the Initial Investment Period, as applicable and is subject to the Early Termination provision below in relation to the Guarantee), but the Sub-Fund will endeavour to extend the term periodically. If it is not possible to achieve this extension and the Directors determine that a termination of the Sub-Fund is likely to result, then Shareholders will be informed about the expected termination date of the Sub-Fund at least 3 months prior to such termination date.

1.2.4 Early Termination

The Guarantor may early terminate the Guarantee if (a) the Guarantee no longer complies with laws and regulations which are relevant for providing guarantees to UCITS funds; (b) the Guarantor no longer has the authorisation to provide the Guarantee; (c) termination of the GBP A share class or (d) upon the termination of the Portfolio Swap.

In the event of Early Termination, the Guarantor will pay the amounts described in section 1.2.2 “Common Protection Level” above in relation to the Put Option and the Guarantee.

1.3 Securities Financing Transaction Regulation

The Sub-Fund will not enter into repurchase and reverse repurchase agreements or stock lending agreements. The Sub-Fund’s exposure to total return swaps is set out below (as a percentage of Net Asset Value):

<table>
<thead>
<tr>
<th>Total Return Swaps</th>
<th>Expected</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>200%</td>
<td>210%</td>
</tr>
</tbody>
</table>

*The above shows the expected and maximum notional for the total return swaps and does not reflect the leverage inherent in the Portfolio Strategy and Put Option exposure inherent in the Portfolio Swap.*

1.4 Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a medium-term appreciation of capital, with the potential for a longer-term investment horizon.

2 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3 INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is FundLogic SAS. The Investment Manager is incorporated in France with a registered office at 61 Rue de Monceau, 75008 Paris, France. As at 31 December 2017, FundLogic SAS had approximately $5.5 billion of assets under management.

The Investment Manager is regulated by the Autorité des Marchés Financiers in France.
Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager in relation to the Sub-Fund, all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Fund has appointed the Investment Manager as investment manager for the Sub-Fund pursuant to an amendment to the investment management agreement between the Fund and the Investment Manager dated 27 July 2010, as amended (the "Agreement")

The Agreement provides that the Investment Manager shall be responsible for loss to the Sub-Fund and/or the Fund to the extent such loss arises out of negligence, wilful default or fraud by itself, its directors, officers, servants, employees and appointees. The Investment Manager, its directors, officers, servants, employees and appointees shall not be liable for loss to the Sub-Fund and/or the Fund on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Sub-Fund and/or the Fund.

The Agreement shall continue in force until terminated pursuant to the terms set out therein. Except as set forth in the Agreement, either party may terminate the Agreement on giving not less than 180 days' prior written notice (or such other period as may be agreed between the parties).

4 SUB-INVESTMENT MANAGER

The Investment Manager has appointed Tavistock Wealth Limited as the Sub-Investment Manager, pursuant to the sub-investment management agreement between the Investment Manager, the Fund and the Sub-Investment Manager dated 2 May 2018, as amended from time to time (the "Sub-Investment Management Agreement"), to provide the Investment Manager with discretionary investment management services in relation to the investments in the Investment Portfolio.

The Sub-Investment Manager has its registered office at 1 Bracknell Beeches, Old Bracknell Lane, Bracknell, RG12 7BW. It is authorised and regulated by the FCA in United Kingdom as a MiFID firm. Its principal activity is providing collective portfolio management services.

The Sub-Investment Manager shall be responsible for loss to the Investment Manager and the Fund to the extent such loss is due to wilful misfeasance, wilful deceit, fraud, bad faith, negligence or breach by the Sub-Investment Manager by itself, its directors, officers, servants, employees, agents and appointees or for its recklessness, breach of fiduciary duty and any misrepresentation made by or on behalf of the Sub-Investment Manager.

The Sub-Investment Management Agreement may be terminated by either the Investment Manager or the Sub-Investment Manager on giving not less than 180 days prior written notice (or such other period as may be agreed between the parties) to the other party.

5 SUB-CUSTODIAN

Pursuant to an agreement dated 2 May 2018 (the "Sub-Custody Agreement"), the Depositary has appointed Morgan Stanley & Co. International plc ("MSI plc") as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Depositary, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and is regulated by the Financial Conduct Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on 30 days' written notice, or, where the Services Agreement (as defined below) is not terminated, with MSI plc's written permission or forthwith by notice in writing in certain circumstances such as the insolvency of MSI plc. The Sub-Custody Agreement provides that MSI plc shall indemnify the Depositary for certain losses unless MSI plc's liability arises (i) in connection with the potential liability of the Depositary that is released pursuant to applicable law following the occurrence of an external event beyond the reasonable control of MSI plc, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) out of the negligence, wilful default or fraud of the Depositary or any of its affiliates; or (iii) as a result of the delegation by MSI plc of the safekeeping of assets to the Depositary or any of its affiliates.
6  SERVICE PROVIDER

The Fund has appointed MSI plc (the “Service Provider”) to provide certain services (being the services set out in the paragraph immediately below) to the Fund as Service Provider pursuant to a Services Agreement dated 2 May 2018 in respect of the Sub-Fund (the “Services Agreement”).

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”) will provide services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities (facilities to hold foreign exchange or to convert currencies). The Service Provider does not have discretion over the Sub-Fund's assets. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund on an arm's length basis and at normal market rates.

Further detail in respect of the Services Agreement is set out in the section entitled Other Information below.

7  RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, as amended (the “Risk Management Agreement”), MSI plc (the “Promoter”) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds. Any costs or fees associated with this will be paid from the Charges and Expenses as described in Section 16.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fund or the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days' written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

8  INFORMATION ON FINANCIAL DERIVATIVE INSTRUMENTS WITHIN THE PORTFOLIO STRATEGY AND THE SUB-FUND

The following types of Financial Derivative Instruments may be used within the Portfolio Strategy and Sub-Fund to provide exposure to equities, fixed income and cash assets as set out in more detail in Section 1.2 “Investment Policy” above and to hedge currency impact for the non-Base Currency share classes.

Swaps. These include contracts for difference and total return swaps. A contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. The underlying reference assets of swaps can be but not limited to single name securities, indexes or custom baskets of securities. See Section 10 below for further details.

Options. Options may be exchange traded or traded over-the-counter options and may have but not limited to single name securities, indexes or custom baskets of securities as underlying reference assets. Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally
established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the underlying reference assets at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying reference asset at the specified exercise price during the term of the option.

Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. The Investment Portfolio may employ indices that are comprised of futures. The Sub-Fund may employ futures on equities, currencies, fixed income securities and interest rates.

Forward Currency Exchange Contracts. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The forward currency exchange contracts will be used to hedge the currency risk of Investment Portfolio assets. The Sub-Fund or Investment Portfolio may obtain exposure to indices that are comprised of rolling forward or futures currency exchange contracts for this purpose and as well direct investment in forward currency exchange contracts.

9 TOTAL RETURN SWAPS

The Sub-Fund may use, as described above in 1.2, 1.2.2 and 1.2.3, a Portfolio Swap (which will deliver the economic performance of the Portfolio Strategy and the Put Option) and for the purpose of efficient portfolio management, a Financing Swap (as defined below).

9.1 The Portfolio Swap

The Portfolio Swap will give the Sub-Fund the economic exposure to the Portfolio Strategy and the Put Option in exchange for a floating rate of return (i.e. a market rate of return agreed with the Approved Counterparty from time to time that may be received by the Sub-Fund through the Financing Swap as described in Section 10.2 below) being paid by the Sub-Fund.

The Portfolio Swap contains exposure to the Put Option.

9.2 The Financing Swap

The Sub-Fund will purchase Financing Assets (as detailed below) and transfer the full economic interest in such assets to the Approved Counterparty pursuant to swap agreements (the “Financing Swap”) in exchange for a floating rate of return (i.e. a market rate of return agreed with the Approved Counterparty from time to time) being received by the Sub-Fund from the Approved Counterparty.

“Financing Assets” will include an investment of up to 100% in the UCITS-eligible regulated investment funds (including money market funds and ETFs) domiciled in the EEA, Jersey, Guernsey, the Isle of Man, or the United States. Such investment funds will be UCITS funds or alternative investment funds which are equivalent to UCITS which will deliver exposure to the asset classes of equities, fixed income, foreign exchange and alternative assets.

They may also include equity securities and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time and will not embed leverage) and depository receipts for such securities (American depositary receipts traded in the United States markets and global depositary receipts traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Portfolio Strategy.

The Financing Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. The Financing Assets will have no more than 35% exposure to emerging markets.

The assets acquired will be those which, based on the Investment Manager’s assessment of the underlying liquidity of the securities as measured by the average daily trading volume, meets the daily liquidity of the Sub-Fund. The Investment Manager, when selecting the components of the Fund Assets,
takes into account liquidity (for instance, looking at the daily liquidity of a stock observed during the past three months).

The Approved Counterparty does not have discretion over the selection of the Financing Assets.

It is not anticipated that the Sub-Fund will be exposed to the performance or risks of the Financing Assets other than in the event of a default by the Approved Counterparty under the terms of the Financing Swap.

The Sub-Fund’s exposure to the Approved Counterparty will be managed in one or more ways including through collateral provided to the Sub-Fund by the Approved Counterparty, a re-set of the counterparty exposure as permitted by the Central Bank.

10 APPROVED COUNTERPARTY(IES)

The sole approved counterparty/counterparties for all off exchange derivatives is Morgan Stanley or any of its affiliate or subsidiaries that is a UCITS eligible counterparty (the “Approved Counterparty”). The Approved Counterparty does not have discretion over the Sub-Fund’s assets.

The Directors may from time to time, in their sole discretion, approve additional UCITS eligible counterparties. Any such additional counterparties will be disclosed in the annual report in respect of the Sub-Fund.

The Sub-Fund will pay a premium (which may be partly on an upfront basis and partly on a running basis) to the Approved Counterparty for exposure to the Put Option, under the Portfolio Swap, at normal commercial rates. In addition the costs and fees of the Investment Manager, Sub Investment Manager and Promoter’s Fees (disclosed in Section 16 on Charges and Expenses) which are paid or reimbursed by Approved Counterparty may ultimately be borne by the Sub-Fund as costs, under the terms of the Portfolio Swap. Under the terms of the Portfolio Swap if the Approved Counterparty suffers a material increase in the cost of hedging the Portfolio Swap then such increase in costs may have to be borne by the Sub-Fund.

11 BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund, provided that such borrowing is only for temporary purposes and cannot be for the purpose of investments. The Fund may incur costs in relation to such borrowing.

In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99%, a holding period of 20 days and a historical observation period of at least one year. The absolute VaR of the Sub-Fund will be calculated daily.

The Sub-Fund’s gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 300% and 320% of the Net Asset Value of the Sub-Fund and will never exceed 330% of the Net Asset Value of the Sub-Fund.

The maximum gross notional exposure of the Sub-Fund of 330% is comprised of the following elements: (i) up to 100% of Net Asset Value under the Portfolio Swap, which in turn provides exposure to the Portfolio Strategy. The Portfolio Strategy can have long exposure of 125% of the Net Asset Value and short exposure of 100% of the Net Asset Value and as such total gross exposure of up to 225% of the Net Asset Value and (ii) up to 105% of Net Asset Value under the Financing Swap.

The Sub-Fund will use the absolute VaR risk measurement approach and any reference to the commitment approach in respect of the Portfolio Strategy in this Supplement is intended solely as a supplementary disclosure to investors and relates to the Portfolio Strategy and not the Sub-Fund. The Sub-Fund may be leveraged through the use of FDI, including through the Portfolio Swap which provides exposure to the Portfolio Strategy.
RISK FACTORS

The risk factors set out in the section entitled Risk Factors in the Prospectus apply.

The following additional risk factors also apply:

Counterparty Risk

The Sub-Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. This would include the counterparties to any FDI or repurchase agreement that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund mitigates much of its credit risk to its counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. The Fund maintains an active oversight of counterparty exposure in line with Regulations and the collateral management process in respect of the Sub-Fund.

The restrictions on cash collateral as set out in the section entitled Efficient Portfolio Management in the Prospectus shall apply. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out in the section entitled Risk Factors in the Prospectus.

Low Exposure to Portfolio Strategy

Based on the risk control mechanism, if the realised volatility of the Portfolio Strategy exceeds the volatility budget there is a risk that there is low exposure to the Portfolio Strategy for certain periods. In this case, Shareholders will be exposed to overnight interest rates which might be negative.

Termination of Sub-Investment Management Services

The Investment Manager has appointed Tavistock Wealth Limited as the Sub-Investment Manager, to provide the discretionary investment management services in respect of the Investment Portfolio and in respect of the determination of the volatility budget. As such the Sub-Investment Manager has a significant input in respect of the ability of the Sub-Fund to meet its Investment Objective. As such, termination of Sub-Investment Management Services may have a material adverse impact on the performance of the Sub-Fund or may result in termination of the Sub-Fund.

Further, the provision of Sub-Investment Management Services by the Sub-Investment Manager is significantly dependent on the investment ability of Christopher Peel, the CIO of the Sub-Investment Manager ("Key Man"). The ability of the Sub-Fund to achieve its objective might be adversely affected, therefore, in the event that the Key Man ceases to devote substantially all of his business time to the business of the Sub-Investment Manager or to participate actively in the management of the Sub-Fund and that a suitable replacement could not be found.

Common Protection Level

The Sub-Fund aims to provide an element of capital protection, however, this will be dependent on the solvency of the Approved Counterparty. In the event of insolvency of the Approved Counterparty, the Sub-Fund will be exposed to the performance of the Financing Assets.

Investors should note that the Common Protection Level does not provide complete capital protection and only aims to provide a protection level equal to 90% of the highest Net Asset Value per Share achieved from the launch of the Sub-Fund onwards by the Class A GBP Shares expressed as a percentage of the current Net Asset Value per share of the GBP A Share Class for each Share Class.

On each Dealing Day the Common Protection Level = 90 % x (the highest Net Asset Value per Share ever achieved by the GBP A share class) / Net Asset Value of the GBP A share class on such Dealing Day

The Common Protection Level is then multiplied by the Net Asset Value of each share class in order to calculate the protection amount for each share class.
Further, while each share class of the Sub-Fund is exposed to the same Portfolio Strategy and Put Option aiming to deliver a protection level equivalent to the Common Protection Level, there may be differences in the Net Asset Value per Share of each of the Share Classes due to the cost of currency hedging as attributed to the relevant non-Base Currency Share Class. These differences are on account of cost of currency hedging are not protected by the Put Option and/or Guarantee.

An indicative example is as follows:

- If on a given day, the highest Net Asset Value per Share ever achieved by the GBP A Share Class is £100 and its current Net Asset Value per Share is £96, the Common Protection Level is calculated as 90% * £100 / £96 = 93.75%.
- This Common Protection Level will be applied to each share class.
- If the Class A GBP Share current Net Asset Value per Share is £96, the corresponding protection amount is calculated by £96 x 93.75% = £90.
- However, if the Class A EUR Share current Net Asset Value per Share is €95, the corresponding protection amount is calculated as €95 x 93.75% = €89.06.
- Similarly, if the Class A USD Share current Net Asset Value per Share is USD 95, the corresponding protection amount is calculated as USD 95 x 93.75% = USD 89.06.

Thus each Share Class of the Sub-Fund, including Hedged Share Classes, benefits from the same Common Protection Level. Nevertheless the costs and impacts associated to the currency hedging program incurred by the Hedged Share Classes are not protected by the Put Option and/or Guarantee and could adversely impact the Hedged Share Classes Net Asset Value per Share.

It is important to note that, while a repurchasing Shareholder will receive an amount equal to the Net Asset Value per Share of the relevant Class on the Settlement Date, each Share may benefit from limited capital protection only (by reference to Common Protection Level), regardless of the Net Asset Value per Share at which such Share was purchased by the Shareholder.

The amount that may be received under the Portfolio Swap following the Put Option exercise or from the Guarantor under the Guarantee will be paid in Pound Sterling to the Sub Fund. Amounts paid to Shareholders will be converted at the relevant foreign exchange rate for each share class currency.

As a consequence in case of exercise of the Put Option and/or the Guarantee, Shareholders investing in non-Base Currency (EUR and USD share classes) may expect to have their investment impacted by currency risk for the period in between the payment under the Put Option and/or the Guarantee and the conversion of relevant amount into the currency of the relevant share class.

**Currency Risk**

The Sub-Fund’s performance may be influenced by movements in currency exchange rates because the Investment Portfolio may hold securities positions that are not denominated in the Base Currency of the Sub-Fund.

Further, the Base Currency of the Sub-Fund is GBP. Shareholders may subscribe in USD, EUR, GBP, or into the USD, EUR or GBP denominated Share Classes respectively.

The EUR and USD denominated Shares are Hedged Share Classes. To the extent that Share class currency hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the Sub-Fund’s underlying assets; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency and/or the currency in which assets of the Sub-Fund are denominated. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled Hedged Share Classes for information on the currency risks associated with investment in those Share classes.
Active Management Risk

The Sub-Investment Manager decides the composition of the Investment Portfolio and the volatility budget of the Portfolio Strategy and so the success of the Sub-Fund depends, among other things, upon the ability of the Sub-Investment Manager to manage the asset allocation within the Investment Portfolio. No assurance can be given that the Sub-Investment Manager will be successful in managing the Investment Portfolio and make an optimal determination of the volatility budget of the Portfolio Strategy. Moreover, decisions made by the Sub-Investment Manager may cause the Sub-Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalised. Additionally, the management of the Portfolio Strategy will result in brokerage and other transaction costs to which the Sub-Fund will be indirectly exposed. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Sub-Fund, nor an opportunity to evaluate the determination of (and any changes to) the specific strategies used, or investments made, by the Sub-Investment Manager within the Investment Portfolio or the terms of any such investment.

Impact of the valuation of Off Exchange Derivatives on the Net Asset Value of the Sub-Fund

The Sub-Fund invests in derivatives, the valuation of which depends on multiple market parameters. Thus, Shareholders will not be able to derive the Net Asset Value of the Sub-Fund from an increase of the level of the Portfolio Strategy alone.

MSIP as index sponsor:

MSIP acts as index sponsor in respect of the UCITS eligible indices that the Investment Portfolio may have exposure to, as outlined in section 1.2 above.

In light of MSIP acting as index sponsor of the UCITS eligible indices, the conflict of interest protections described in Section 25 of the Prospectus entitled “Sub-Fund Transactions and Conflicts of Interest” shall be adhered to.

Impact of subscription/redemption on the OTC valuation

The value assigned to the OTC derivative instruments shall be the quotation received from the counterparty to such contracts at the Valuation Point. Investors should note that the valuation received from the counterparty will be impacted by the level of redemption or subscriptions received into the Sub-Fund on a daily basis. On a day when net subscriptions/only subscriptions are received, the counterparty will provide a price which is likely to be closer to their offer price for the contract, whereas if there are net redemptions/only redemptions received by the Sub-Fund, the counterparty will provide a price which is likely to be closer to their bid price for the contract. The independent valuation provider, which is appointed by the Board and approved by the custodian, will verify all values received from the counterparty on at least a weekly basis as set out in the Prospectus.

Term and Limitation of the Guarantee

No assurance can be given that the Guarantee will be extended. There is a risk that the Guarantee is terminated early. Further the Guarantee is only protecting the Common Protection Level for each share class and will not protect any impact of exchange rate on both Base Currency and non-Base Currency share classes.

Depositary/MSI plc Insolvency

The Sub-Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors (“Insolvency”) of the Depositary and/or MSI plc in its capacity as sub-custodian. These risks include without limitation: the loss of all cash which the Depositary and/or MSI plc has failed to treat as client money in accordance with any agreed procedures; the loss of some or all of any securities held on trust which have not been properly segregated and so identified both at the level of the Depositary and/or MSI plc (“trust assets”) or client money held by or with the Depositary and/or MSI plc in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary and/or MSI plc; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.
DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share class. Any distributable profits will remain in the Sub-Fund’s assets and be reflected in the Net Asset Value of the relevant class of Shares.

KEY INFORMATION FOR PURCHASES AND SALES OF SHARES

Base Currency

GBP

Classes of Shares

Shares in the Sub-Fund will be available in the following class:

<table>
<thead>
<tr>
<th>Class</th>
<th>Currency Denomination</th>
<th>Currency Hedged Shares</th>
<th>Initial Issue Price per Share</th>
<th>Minimum Initial Subscription</th>
<th>Minimum Holding (Number of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A GBP Shares</td>
<td>GBP</td>
<td>No</td>
<td>£100</td>
<td>£1,000</td>
<td>10</td>
</tr>
<tr>
<td>Class A EUR Shares</td>
<td>EUR</td>
<td>Yes</td>
<td>€100</td>
<td>€1,000</td>
<td>10</td>
</tr>
<tr>
<td>Class A USD Shares</td>
<td>USD</td>
<td>Yes</td>
<td>$100</td>
<td>$1,000</td>
<td>10</td>
</tr>
</tbody>
</table>

The limits set out above may be raised, lowered or waived at the discretion of the Directors (or their delegate). Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount and the Minimum Holding Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

Initial Offer Period

The Initial Offer Period for Class A EUR and the Class A USD Shares will be from 9.00 am (Irish time) on 26 June 2018 until 5:30 pm (Irish time) on 23 December 2018 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Class A GBP Shares are available at their Net Asset Value on each Dealing Day.

Initial Investment Period

Following the close of the Initial Offer Period, the Sub-Fund may initially invest its assets solely in bank deposits and/or Financing Assets in order to enter into the Financing Swap pending its investment in the Portfolio Swap. During such period, which is not expected to exceed three months from the date of...
close of Initial Offer Period (the “Initial Investment Period”), the Sub-Fund will not be exposed to the Portfolio Swap.

**Business Day**

Every day (except legal public holidays in London, Paris, New York or Dublin or days on which the stock markets in London, Paris and New York are closed) during which banks in London, Paris, New York or Dublin are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders. The 24th and the 31st December are deemed public holidays for the purpose of this Supplement.

**Dealing Day**

Every Business and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

10 AM Irish time on the relevant Dealing Day.

The Directors may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point (being the earliest close of business of any relevant market on that Dealing Day) for that particular Dealing Day. For the avoidance of doubt, no application shall be accepted after the close on a Dealing Day of any market relevant to the assets and liabilities of the Sub-Fund.

**Settlement Date**

In the case of subscriptions, by 12 Noon Irish time, 3 Business Days after the relevant Dealing Day.

In the case of repurchases, within 3 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

**Valuation Point**

Close of business on the relevant Dealing Day.

In the case of transferable securities and listed FDI, the Valuation Point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the Valuation Point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. With regards to the valuation of OTC FDI, some of the underlying of which are UCITS eligible indices, the OTC FDI and thus the Sub-Fund’s Net Asset Value will be computed using the level officially published by the index calculation agent for the latest available close on the day on which the Net Asset Value is calculated by the Administrator.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

**CHARGES AND EXPENSES**

**Redemption in Specie**

The provisions of the section of the Prospectus entitled Repurchase of Shares in respect of the ability of the Directors to satisfy a repurchase request in whole or in part by an in-kind distribution of securities of the relevant Sub-Fund in lieu of cash with or without consent of the Shareholder shall not apply to the Sub-Fund.
Fund Expenses

The Fund will pay up to 1% per annum in aggregate to the (a) Investment Manager (b) Sub-Investment Manager and (c) the Promoter from the assets attributable to the Sub-Fund which are based on a percentage of net assets attributable to each class of Shares, which is accrued daily and paid quarterly in arrears.

The maximum fees paid by the Fund to the Sub-Investment Manager will be 0.88% of Net Asset Value per annum.

The Promoter will, inter alia, pay the fees and expenses of any service provider to the Sub-Fund (other than the Investment Manager and the Sub-Investment Manager) and in particular, the Administrator and Depositary and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.

Notwithstanding the above, any transaction charges, reasonable fees and customary agents’ charges due to any local market sub-custodian (not including the Depositary or any of its affiliates), which shall be charged at normal commercial rates, together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Depositary, shall be reimbursed to the Depositary out of the assets of the Sub-Fund.

Initial, Exchange and Repurchase Charges

The Sub-Fund will not impose an anti-dilution levy or any initial, exchange or repurchase charges. The Distributor will not be entitled to any other fees out of the assets of the Fund.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled Ongoing Charges and Expenses in the Prospectus will be paid out of the assets of the Sub-Fund.

16 HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled Applications for Shares in the Prospectus.

The Directors reserve the right to reject in whole or part any subscription at their sole discretion, but in particular may do so where the Approved Counterparty is unwilling to agree to an equivalent increase in the notional of the Portfolio Total Return Swap.

17 HOW TO SELL SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled Repurchase of Shares in the Prospectus.

18 HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled Exchange of Shares in the Prospectus.

19 ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund will be paid by the Promoter.

20 OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings Management Charges and Expenses and General Charges and Expenses.
OTHER INFORMATION

Services Agreement

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, willful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Fund will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result of, or in connection with, or arising out of, the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, willful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Fund or its agents or as a result of the failure by the Fund to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Fund to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the rules of the Financial Conduct Authority (the “FCA”). Investments and cash may also be deposited by the Fund with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA rules. Investments which constitute collateral for the purposes of the FCA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Fund transfers to the Service Provider will, subject to the terms of the Agreement, be client money for the purposes of the FCA rules and will therefore be subject to the client money protections conferred by the FCA rules.

Either party may terminate the Services Agreement by giving at least five business days’ prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies or the Fund to perform of any or all of its respective obligations thereunder.