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.

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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):

	Expected	**Maximum**
Total Return Swaps / Margin Finance	25%	200%
Repurchase Agreements & Reverse Repurchase Agreement	0%	5%
Stock Lending	0%	5%

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 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 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.

7. 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.

8. 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.

9. 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.

10. 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.

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 PURCHASING AND SELLING

Base Currency

EUR

Classes of Shares

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

Class	Currency Denomination	Currency Hedged Shares	Initial Issue Price per Share	Minimum Initial Subscription	Management Fee	Performance Fee	Minimum Subsequent Subscription /Minimum Repurchase Amount	Minimum Holding
Class B1 USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$ 1,000,000**	**0.75%**	**0%**	**$10,000**	**1,000 Shares**
Class B1 EUR Shares	**Euro**	**No**	**€1,000**	**€ 1,000,000**	**0.75%**	**0%**	**€10,000**	**1,000 Shares**
Class B1 GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 1,000,000**	**0.75%**	**0%**	**£10,000**	**1,000 Shares**
Class B 2 USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$ 1,000,000**	**1.25%**	**7.5%**	**$10,000**	**1,000 Shares**
Class B 2 EUR Shares	**Euro**	**No**	**€1,000**	**€ 1,000,000**	**1.25%**	**7.5%**	**€10,000**	**1,000 Shares**
Class B2 GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 1,000,000**	**1.25%**	**7.5%**	**£10,000**	**1,000 Shares**
Class I USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$ 1,000,000**	**1.5%**	**15%**	**$10,000**	**1,000 Shares**
Class I EUR Shares	**Euro**	**No**	**€1,000**	**€1,000,000**	**1.5%**	**15%**	**€10,000**	**1,000 Shares**
Class I	**Pound**	**Yes**	**£1,000**	**£ 1,000,000**	**1.5%**	**15%**	**£10,000**	**1,000**

GBP Shares	**Sterling**							**Shares**
Class P USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$ 250,000**	**1.5%**	**15%**	**$10,000**	**250 Shares**
Class P EUR Shares	**Euro**	**No**	**€1,000**	**€250,000**	**1.5%**	**15%**	**€10,000**	**250 Shares**
Class P GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 250,000**	**1.5%**	**15%**	**£10,000**	**250 Shares**
Class A USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$ 10,000**	**2.5%**	**15%**	**$1,000**	**N/A**
Class A EUR Shares	**Euro**	**No**	**€1,000**	**€10,000**	**2.5%**	**15%**	**€1,000**	**N/A**
Class A GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 10,000**	**2.5%**	**15%**	**£1,000**	**N/A**

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.

13. 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.

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 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.

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 Morgan Stanley & Co. International plc.

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

As at the date of this Supplement, there are fifty other sub-funds of the Fund currently in existence, Emerging Markets Equity Fund, Salar Convertible Absolute Return Fund, MS PSAM Global Event UCITS Fund, Indus Select Asia Pacific Fund, MS Algebris Global Financials UCITS Fund, Indus PacifiChoice Asia Fund, MS Ascend UCITS Fund, MS Alkeon UCITS Fund, RiverCrest European Equity Alpha Fund, MS SLJ Macro UCITS Fund, MS QTI UCITS Fund, MS Turner Spectrum UCITS Fund, MS Long Term Trends UCITS Fund, MS Discretionary Plus UCITS Fund, MS Lynx UCITS Fund, MS Broadmark Tactical Plus UCITS Fund, MS Swiss Life Multi Asset Protected Fund, MS TCW Unconstrained Plus Bond Fund, MS Fideuram Equity Smart Beta Dynamic Protection 80 Fund, MS Nezu Cyclicals Japan UCITS Fund, MS Scientific Beta Global Equity Factors UCITS ETF, MS Kairos Enhanced Selection UCITS Fund, MS Scientific Beta US Equity Factors UCITS ETF, MSCI Emerging Markets ESG Equity Fund, MS Tremblant Long/Short Equity UCITS Fund, Global Equity Risk Premia Long/Short UCITS Fund, MS Fideuram Equity Smart Beta Dynamic Protection 80 Fund II, DAX® 80 Garant, IPM Systematic Macro UCITS Fund, Quantica Managed Futures UCITS Fund, Smartfund 80% Protected Growth Fund, Smartfund 80% Protected Balanced Fund, MSCI China A International Fund, Mariner Lenus Healthcare UCITS Fund, Smartfund Cautious Fund, Smartfund Balanced Fund, Smartfund Growth Fund, 80% Protected Index Portfolio, Mariner Investment Diversifying Alternative UCITS Fund, Market Neutral Credit UCITS Fund, Academy Quantitative Global UCITS Fund, Arno Fund, QW Equity Market & Sector Neutral UCITS Fund, Abante 80% Proteccion Creciente Fund, Cautious 85% Protected Fund, Moderate 80% Protected Fund, Equity Risk Managed Fund, Cube Global Cross Assets Fund, CZ Absolute Alpha UCITS Fund and Investcorp Geo-Risk Fund.

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.