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The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 26<sup>th</sup> March, 2014 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

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

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## **HEALTHCARE BLUE CHIP FUND**

(a Fund of Polar Capital Funds public limited company)

## **SUPPLEMENT**

**DATED 28<sup>th</sup> AUGUST 2014**

## DEFINITIONS

“Business Day”	a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and New York and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).
“Central Bank”	Central Bank of Ireland.
“Dealing Day”	each Business Day (provided always there shall be at least one Dealing Day per fortnight).
“Index”	MSCI World Daily Total Return Net Health Care. Index Bloomberg ticker NDUCHC index. The MSCI World Daily Total Return Net Health Care Index is designed to capture the large and mid cap segments across 23 Developed Markets countries. All securities in the index are classified in the Health Care sector as per the Global Industry Classification Standard. It measures the price performance of markets with the income from constituent dividend payments. The index constituent’s dividends are reinvested after the deduction of withholding taxes (using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties), at the close of trading on the day the security is quoted ex-dividend (the ex-date).
“Official List and the Main Securities Market”	the Official List and Main Securities Market of the Irish Stock Exchange.
“Share Class” or “Share Classes”	such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Healthcare Blue Chip Fund being Class I USD Distribution Shares, Class I USD Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares, Class I GBP Accumulation Shares, Class S USD Distribution Shares, Class S USD Accumulation Shares, Class S GBP Distribution Shares and Class S GBP Accumulation Shares.
“Valuation Point”	the close of business in the relevant markets on the Dealing Day.

**HEALTHCARE BLUE CHIP FUND**  
**(the “Fund”)**

**INTRODUCTION**

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Income Opportunities Fund, the European Market Neutral Fund, the Japan Alpha Fund, the Global Alpha Fund, the Global Convertible Fund and the Biotechnology Fund.

**This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.**

Application has been made to the Irish Stock Exchange for the Class I USD Distribution Shares, Class I USD Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares, Class I GBP Accumulation Shares, Class S USD Distribution Shares, Class S USD Accumulation Shares, Class S GBP Distribution Shares and Class S GBP Accumulation Shares to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes are expected to be admitted to the Official List and trading on the Main Securities Market of The Irish Stock Exchange on or about 8<sup>th</sup> September, 2014. The Directors do not anticipate that an active secondary market will develop in the Share Classes.

This Supplement and the Prospectus, including all information required to be disclosed by the ISE listing requirements comprise listing particulars (the “Listing Particulars”) for the purposes of the listing of the Share Classes.

The Directors confirm that there has been no significant change in the financial or trading position of the Company and the Fund since 31<sup>st</sup> December 2013, the date to which the audited annual report included in the Listing Particulars are prepared.

Neither the admission of the Shares to the Official List and the Main Securities Market nor the approval of the Listing Particulars pursuant to the listing requirements of The Irish Stock Exchange shall constitute a warranty or representation by The Irish Stock Exchange as to the competence of the service providers to or any party connected with the Company, the adequacy of information contained in the Listing Particulars or the suitability of the Fund for investment purposes.

The Net Asset Value is calculated on a daily basis and will be supplied to The Irish Stock Exchange by the Administrator.

All other Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

**An investment in the Fund should be viewed as medium to long term**

**Shareholders and prospective investors should note that all of the fees and expenses of the Fund will be charged to the capital of the Fund. This will have the effect of lowering the capital value of an investment in the Fund. Capital may be eroded and “income” will be achieved by foregoing the potential for future capital growth. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.**

The base currency of the Fund is USD.

**Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.**

#### **INVESTMENT OBJECTIVE**

The Fund’s investment objective is to achieve long term capital appreciation.

#### **INVESTMENT POLICIES**

The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of healthcare companies.

The Fund will invest in transferable securities including, shares, equity warrants and other types of equity related securities such as preferred shares, which will be listed and/or traded on a Regulated Market, and issued by healthcare companies, to include, but not limited to, pharmaceutical, biotechnology, medical device and healthcare services companies. The Fund may also invest in Global depository receipts and American and European depository receipts to gain exposure to healthcare companies.

The Fund may invest in unlisted healthcare securities subject to a limit of 10% of its Net Asset Value in such unlisted securities.

The Fund will seek to outperform the MSCI World Daily Total Return Net Health Care Index.

The Fund may invest no more than 10% of the Fund's Net Asset Value in aggregate in shares of open-ended collective investment schemes, with similar investment policies to the Fund, which include UCITS or non-UCITS exchange traded funds ("ETFs") which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to the equity securities comprised in the indices (which indices will be healthcare related indices to include, but not limited to, the STOXX 600 Healthcare Price Index) tracked by the ETFs in which the Fund may invest. It is intended that the ETFs in which the Fund may invest will be listed on a Regulated Market. Investment in closed-ended non-UCITS ETFs will be considered as an investment in transferable securities and will be subject to the relevant UCITS investment restrictions relating to investment in transferable securities.

Whilst it is intended that the Fund be fully invested as detailed above, the Investment Manager is permitted to invest in cash and/or money market instruments, to include, but not limited to treasury bills, certificates of deposit, term deposits and commercial paper for ancillary liquid asset purposes and non-government and government fixed and/or floating rate investment grade bonds where this is considered to be in the best interests of the Shareholders of the Fund; for example, during periods of market uncertainty where such investment is deemed to be important for defensive purposes.

The financial derivative instruments which the Fund may utilize include equity and equity index futures (which indices will be healthcare related indices to include, but not limited to, the STOXX 600 Healthcare Price Index), FX forwards, contracts for difference, equity put and call options (details of which are set out below), for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk (i.e. where indirect exposure to a security may protect downside risk as compared with direct exposure to a security) or to obtain in a more efficient way exposure to equity securities that would otherwise be obtained by direct investment in equity securities in accordance with the investment objective and policies above over a short and medium term basis. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

### **Investment Strategy**

The Investment Manager will use a multi-factor methodology to screen a global universe of healthcare companies with a market capitalisation greater than U.S. \$5 billion. A fundamental research driven approach (based on proprietary analysis) will then be employed to derive a concentrated portfolio of investments. There will not be a decisive emphasis on any particular size of companies dominating the stock selection (save in respect of the screening threshold of greater than U.S. \$5 billion as referenced above) but the majority of the portfolio will be invested in large capitalisation companies (i.e. greater than U.S. \$10 billion). The Fund may take a geographically diversified approach and there are no specified limits on investing in any geographical region or in any sub-sector.

## **FINANCIAL DERIVATIVE INSTRUMENTS**

### Futures

Exchange trade futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

The Investment Manager may enter into equity and equity index futures in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities that would otherwise be obtained by direct investment in equity securities.

### FX Forwards

Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

### Options

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. Options may also be cash settled.

Equity options may be purchased in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities that would otherwise be obtained by direct investment in equity securities.

### Contracts for Differences

A contract for difference is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities.

Contracts for differences may be used in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities that would otherwise be obtained by direct investment in equity securities.

### **EFFICIENT PORTFOLIO MANAGEMENT**

Any direct and indirect operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques which may be deducted from the revenue delivered to the Fund shall be at normal commercial rates and shall not include any hidden revenue.

Such direct or indirect costs and fees will be paid to the relevant counterparty to the financial derivative instruments transaction. Counterparty details, where applicable, will be disclosed in the Company's audited accounts. All revenues generated through the use of efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Fund.

### **MANAGEMENT OF COLLATERAL FOR OTC FINANCIAL DERIVATIVE INSTRUMENTS**

The Fund will not receive collateral.

The Fund may however be required to post collateral to a counterparty. The level of collateral required to be posted may vary by counterparty with which the Fund trades. The haircut policy applied (as documented by the Investment Manager) to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset posted by the Fund, taking into account the credit standing and price volatility of the relevant counterparty.

### **INVESTMENT AND BORROWING RESTRICTIONS**

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

### **MANAGEMENT AND ADMINISTRATION**

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

#### **Investment Manager**

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the "Investment Manager") to the Company. The managers at Polar Capital LLP with prime responsibility for the Fund are Daniel Mahony and Gareth Powell.

## **Daniel Mahony**

Daniel joined Polar Capital to set up the healthcare team in 2007. He has 22 years of industry experience, comprising more than 15 years' investment experience in the healthcare sector, with over five years as a Portfolio Manager and nine years as a sell-side analyst. Prior to joining Polar Capital, he was head of the European healthcare research team at Morgan Stanley, covering the European biotechnology, medical technology and healthcare services sectors. He also previously worked in New York for ING Barings Furman Selz following the US biotechnology sector. Before working in the investment field, Daniel worked as a research scientist for seven years with the majority of his time at Schering Plough Corporation in California. Daniel received his PhD from Cambridge University in 1995 and a first class honours degree in biochemistry from Oxford University in 1991.

## **Gareth Powell**

Gareth joined Polar Capital in 2007 to set up the healthcare team. He has over 15 years' investment experience in the healthcare sector, with 11 years as a portfolio manager. He joined Framlington in 1999 becoming a portfolio manager on the Framlington health fund. In 2002, he helped launch and then run the Framlington biotech fund. Gareth became a CFA charter holder in 2003. Gareth studied biochemistry at Oxford from 1995 to 1999 and during that time worked at Astellas, the Sir William Dunn School of Pathology, the Wolfson Institute for Biomedical Research and the Oxford Business School.

## **Administrator and Custodian**

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company's assets is Northern Trust Fiduciary Services (Ireland) Limited.

## **VALUATION OF ASSETS**

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading "Statutory and General Information" in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of "Statutory and General".



## DIVIDEND POLICY

### Distribution Share Classes

#### Dividends and Distribution Dates

If sufficient net income is available in respect of the Fund, the Directors' current intention is to declare annual distributions (including interest and dividends) of substantially the whole of the net income which will be distributed annually as detailed below.

<b>Record Date</b>	<b>Ex-Dividend Date</b>	<b>For Distribution By</b>
31-Dec	First Business Day in January	Last Business Day in January

In order to enable the Fund to pay a larger distribution amount the expenses which are attributable to the Fund are charged to capital. The effect of this is that capital will be eroded to allow higher dividends to be paid, thereby reducing the potential for future capital growth.

#### Income Equalisation

The Fund operates equalisation in relation to all Distribution Share Classes. A Shareholder who has purchased Distribution Shares during a Distribution Period will receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Distribution Shares in the relevant Distribution Period. All Distribution Shares purchased during a Distribution Period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Distribution Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Distribution Share Class and is refunded to them as part of the first distribution after their purchase of Distribution Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Distribution Share Classes who redeem their Distribution Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders of Distribution Shares may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Distribution Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Distribution Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder's risk and expense.

Any distribution for dividend entitlements of less than US\$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Any dividend paid on a Distribution Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

### **Accumulation Share Classes**

It is not the current intention to pay dividends in respect of the Accumulation Share Classes.

### **UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder (in either a Distribution Share Class or an Accumulation Share Class) who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes).

As explained above under "Dividend Policy", the Directors intend that the Fund should make an annual dividend payment to Shareholders in the Distribution Share Classes out of the investment income earned by the Fund each financial year. The Directors do not, however, intend to pay dividends in respect of the Accumulation Share Classes.

## **MINIMUM SUBSCRIPTION AND MINIMUM HOLDING**

### ***Class I Shares***

Class I Shares are not subject to a minimum subscription and minimum holding requirement.

The aggregate of an investor's investments in the Class I Shares or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

### ***Class S Shares***

The Class S Shares are subject to a minimum subscription and minimum holding requirement of USD 5million (or its foreign currency equivalent).

The minimum subscription and minimum holding requirement for Class S Shares may be waived or reduced at the sole discretion of the Directors.

## **INITIAL OFFER PERIOD AND PRICE**

The Initial Offer Period for the Class I and Class S Shares and shall commence at 9.00 a.m. (Irish time) on 29<sup>th</sup> August, 2014 and will close at 5.00 p.m. (Irish time) on 5<sup>th</sup> September, 2014. The Initial Offer Period may be extended or reduced by the Directors with the consent of the Custodian in accordance with the requirements of the Central Bank.

During the Initial Offer Period, Class I and Class S Shares in the Fund are being offered to investors at an initial issue price per Share of USD 10 (and its foreign currency equivalent) using the USD exchange rate at the end of the Initial Offer Period. Thereafter, Class I and Class S Shares will be offered at the Net Asset Value per relevant Class I and Class S Shares.

During the initial offer period, subscription monies must be received by the Administrator no later than 5.00pm (Dublin time) on 5<sup>th</sup> September, 2014.

## **OFFERING OF CLASS S SHARES**

It is intended that the Class S Shares will be closed to new investors on the earlier of the following:

- (i) 22<sup>nd</sup> September, 2014 (subject to the discretion of the Directors to determine otherwise);
- (ii) when subscription monies and/or switch requests from Class I and Class S Shareholders totalling USD 50 million have been received from (i) investors subscribing to and/or switching to the Class S Shares (subject to the discretion of the Directors to determine otherwise).

Following the close of Class S Shares to new investors, existing holders of Class S Shares may continue to subscribe for Class S Shares **provided** that they do not, at any point, redeem their holding of Class S Shares such that the number of Class S Shares held by them is less than the number of Class S Shares issued on initial subscription, unless such redemption, at the point of the redemption, meets the minimum holding requirement of USD 5 million (or its foreign currency equivalent) (subject to the discretion of the Directors to determine otherwise). Any holder of Class S Shares who redeems their holding as outlined above will not be permitted to subscribe for Class S Shares at a future date.

## **SUBSCRIPTIONS**

### **Procedure**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

Applicants for Shares must send their completed Application Form by post or facsimile so as to be received by the Administrator no later than 5:00pm (Irish Time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5:00pm (Irish time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by post, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. Applicants will not be entitled to receipt of redemption proceeds until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

- (a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
- (c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares which will include an amount of accrued income (see the description of "Income Equalisation" on page 9-10) will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company's register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

## **Subscription Monies**

### **Method of Payment**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

### **Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

## **REDEMPTIONS**

### **Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 5422889). Telephone orders may be placed with the Administrator on + 353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

### **Redemption Price**

The redemption price per Share shall be ascertained by:

- (a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting there from such sums as the Directors may consider represents an appropriate provision for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
- (c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

### **Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-

- (a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and
- (b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

### **Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

### **Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

### **Timing of Payment**

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

### **Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

### **Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares



for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

## SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

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

$$A = \frac{B \times C \times D}{E}$$

Where

- A = number of Shares of the New Class to be allocated
- B = number of Shares of the Original Class to be converted
- C = redemption price per Share on the relevant Dealing Day for the Original Class
- D = the currency conversion factor determined by the Administrator
- E = subscription price per Share on the relevant Dealing Day for the New Class

## FEES AND EXPENSES

### General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus. **All fees and expenses shall be charged to the capital of the Fund.**

### Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

## **Investment Management Fees**

### ***Class I USD Distribution Shares, Class I Euro Distribution Shares and Class I GBP Distribution Shares***

The investment management fee payable in respect of the Class I Distribution Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.85% per annum of the Net Asset Value of the Class I Distribution Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

#### *Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee attributable to the Class I Distribution Shares. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the "Payment Date") where there is a performance fee payable.

The initial issue price of USD10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I USD Distribution, Class I GBP Distribution and Class I Euro Distribution Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I USD Distribution Share exceeds the Indexed Net Asset Value per Class I USD Distribution Share as at the Payment Date multiplied by the weighted average number of total Class I USD Distribution, Class I GBP Distribution and Class I Euro Distribution Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class I USD Distribution Share is calculated by adjusting the Net Asset Value per Class I USD Distribution Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I USD Distribution Share shall be calculated before the deduction of any unrealised performance fee and will have any relevant distributions added back into the Net Asset Value.

The performance fee is only payable when the Class I USD Distribution Shares outperform the Index. If, during a performance fee period, the performance of the Class I USD Distribution Shares does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

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**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

***Class I USD Accumulation Shares, Class I Euro Accumulation Shares and Class I GBP Accumulation Shares***

The investment management fee payable in respect of the Class I Distribution Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.85% per annum of the Net Asset Value of the Class I Distribution Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

*Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee attributable to the Class I Accumulation Shares. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the "Payment Date") where there is a performance fee payable.

The initial issue price of USD 10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I USD Accumulation, Class I GBP Accumulation and Class I Euro Accumulation Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I USD Accumulation Share exceeds the Indexed Net Asset Value per Class I USD Accumulation Share as at the Payment Date multiplied by the weighted average number of total Class I USD Accumulation, Class I GBP Accumulation and Class I Euro Accumulation Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class I USD Accumulation Share is calculated by adjusting the Net Asset Value per Class I USD Accumulation Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I USD Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I USD Accumulation Shares outperform the Index. If, during a performance fee period, the performance of the Class I USD Accumulation Shares

does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

#### ***Class S USD Distribution Shares and Class S GBP Distribution Shares***

The investment management fee payable in respect of the Class S Distribution Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.70 % per annum of the Net Asset Value of the Class S Distribution Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

#### *Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the "Payment Date") where there is a performance fee payable.

The initial issue price of USD10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class S USD Distribution Shares and Class S GBP Distribution Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class S USD Distribution Share exceeds the Indexed Net Asset Value per Class S USD Distribution Share as at the Payment Date multiplied by the weighted average number of total Class S USD Distribution Shares and Class S GBP Distribution Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class S USD Distribution Share is calculated by multiplying the Net Asset Value per Class S USD Distribution Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class S USD Distribution Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class S USD Distribution Shares outperform the Index. If, during a performance fee period, the performance of the Class S USD Distribution Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

### ***Class S USD Accumulation Shares and Class S GBP Accumulation Shares***

The investment management fee payable in respect of the Class S Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.70 % per annum of the Net Asset Value of the Class S Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

#### *Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the "Payment Date") where there is a performance fee payable.

The initial issue price of USD10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class S USD Accumulation Shares and the Class S GBP Accumulation Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class S USD Accumulation Share exceeds the Indexed Net Asset Value per Class S USD Accumulation Share as at the Payment Date multiplied by the weighted average number of total Class S USD Accumulation Shares and Class S GBP Accumulation Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class S USD Accumulation Share is calculated by multiplying the Net Asset Value per Class S USD Accumulation Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class S USD Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class S USD Accumulation Shares outperform the Index. If, during a performance fee period, the performance of the Class S USD Accumulation Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

### **Establishment Expenses**

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy. The establishment expenses are expected to amount to approximately €25,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

## **RISK FACTORS**

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, the objective of which is to measure, monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment

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Manager on the Company's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.

Conflicts of interest may arise as a result of the Fund's trading with counterparties. Such parties may obtain information regarding the Fund's activities and strategies that could be used by such third parties to the detriment of the Fund.