SUPPLEMENT 2

GATEWAY TARGET BETA UCITS FUND

Dated 16 January, 2017
to the Prospectus issued for GATEWAY UCITS FUNDS PLC

This Supplement contains information relating specifically to the **GATEWAY TARGET BETA UCITS FUND** (the "**Fund**"), a sub-fund of **GATEWAY UCITS FUNDS PLC** (the "**Company**"), an open-ended umbrella investment company with segregated liability between funds authorised by the Central Bank of Ireland (the "**Central Bank**") on 16 June, 2015 as a UCITS pursuant to the UCITS Regulations. As at the date hereof there is one other portfolio authorized as a sub-fund of the Company namely, Gateway Systematic Alpha UCITS Fund.

The Directors of the Company, whose names appear under the heading **"MANAGEMENT AND ADMINISTRATION"** in the Prospectus, accept responsibility for the information contained in the Prospectus and 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 13 October, 2016 (the "Prospectus").

The launch of various Classes within the Fund may occur at different times and therefore at the time of the launch of given Class(es), the pool of assets of the Fund to which a given Class relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential Shareholders upon request following publication.

The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.

There is no guarantee that the Fund will generate sufficient income from its investments in order to discharge fees and expenses incurred and consequently Shareholders and prospective Shareholders should note that all or part of the fees and expenses of the Fund (including management fees) may be charged to the capital of the Fund. If all or part of the fees and expenses of the Fund are charged to the capital of the Fund this would 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.

Investment in the Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Fund is subject to

fluctuations in value.

The Fund may invest significantly in financial derivative instruments for investment purposes and/or for hedging, in each case subject to the conditions and within the limits laid down by the Central Bank. Transactions in derivative instruments will leverage the Fund and the Fund may establish speculative positions. Further details of the Fund's expected levels of leverage in both normal and exceptional market conditions are set out below under "Global Exposure and Leverage – Use of VaR Model". This may result in a higher level of volatility and risk than would be the case if the Fund did not invest in financial derivative instruments. Due to the Fund's significant investment in financial derivative instruments, a higher degree of risk may attach to this Fund. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all Shareholders. Shareholders should read and consider the section of the Prospectus entitled "Risk Factors" before investing in the Fund.

Profile of a Typical Investor: Shareholders seeking long-term capital appreciation who are prepared to accept moderate to high volatility.

1. Interpretation

The expressions below shall have the following meanings:

"**Base Currency"**	means EUR.
"Business Day"	means any day (except Saturday or Sunday or bank holidays) on which banks in Dublin, Frankfurt and Munich are generally open for business and/or such other or additional day or days as may be determined by the Directors and notified to Shareholders in advance.
"Cash Equivalent Securities"	shall include but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term obligations issued by credit institutions) and money market obligations such as short and medium term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit, bankers' acceptances and time deposits.
"Dealing Day"	means each Business Day and such other day or days as may be determined by the Directors and notified in advance to Shareholders provided there is at least one dealing day per fortnight.
"Electronic Application"	shall have the meaning ascribed to it in this Supplement under the heading "*12. Application for Shares*".
"Electronic Request"	shall have the meaning ascribed to it in this Supplement

under the heading “*13. Redemption of Shares*”.

“Redemption Dealing Deadline” means for all redemption requests sent to the Administrator, 4 p.m. (Irish time) on the Business Day two Business Days prior to the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Redemption Dealing Deadline is no later than the relevant Valuation Point. On the respective Dealing Days immediately prior to 25 December and 1 January in each year, redemption request forms or Electronic Requests must be received by 12.00 noon (Irish time). Where on such days a redemption request form or Electronic Request is received after 12.00 noon (Irish time), the redemption request shall be deemed to be received by the Redemption Dealing Deadline in connection with the next succeeding Dealing Day.

“Sub-Investment Manager” means Prime Capital AG.

“Sub-Investment Management Agreement” means the Sub-Investment Management Agreement made between the Company, the Manager and the Sub-Investment Manager dated 26th August, 2015.

“Subscription Dealing Deadline” means for all subscription documents sent to the Administrator, 4 p.m. (Irish time) two Business Days prior to the relevant Dealing Day, or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Subscription Dealing Deadline is no later than the relevant Valuation Point. On the respective Dealing Days immediately prior to 25 December and 1 January in each year, applications for subscriptions or Electronic Applications must be received by 12.00 noon (Irish time). Where applications for subscriptions or Electronic Applications are received after 12.00 noon (Irish time), the subscription shall be deemed to be received by the Subscription Dealing Deadline in connection with the next succeeding Dealing Day.

“Valuation Point” means 11 p.m. (Irish time) on the relevant Valuation Day.

“Valuation Day” means the Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Classes of Units

Class	Currency of Denomination	Minimum Subscription	Minimum Transaction Size
Class I EUR	EUR	EUR 50,000	EUR 10,000
Class I USD	USD	USD 50,000	USD 10,000
Class I CHF	CHF	CHF 50,000	CHF 10,000
Class R EUR	EUR	EUR 5,000	EUR 2,000
Class R CHF	CHF	CHF 5,000	CHF 2,000
Class R2 EUR	EUR	EUR 5,000	EUR 2,000

The Class I USD Shares, the Class I CHF Shares and the Class R CHF Share will be hedged currency Share Classes ("**Hedged Classes**"). It is the intention of the Sub-Investment Manager to attempt to mitigate exchange rate fluctuation risks by hedging the value of Shares in the Hedged Classes against changes in the rate of exchange between the Base Currency and currency denomination of the relevant Class. The Sub-Investment Manager may attempt to mitigate the exchange rate fluctuation risk by using forward foreign exchange contracts for currency hedging purposes subject to the conditions and within the limits laid down by the Central Bank. Further detail on the use of forward foreign exchange contracts is set out below under the heading "**Investment Policy**". The successful execution of a hedging strategy which mitigates exactly exchange rate fluctuation risk cannot be assured. Shareholders should refer to that section of the Prospectus headed "**Hedging of Currency Exchange in Relation to Some Classes of Shares".**

The Directors have the power to issue further Classes of Shares upon prior notification to and clearance in advance with the Central Bank.

The Directors have determined that Class I EUR, Class I USD and Class I CHF Shares shall only be made available to investors who are eligible to invest in such Classes in accordance with the specific terms of the authorisation obtained to market the Fund and such Classes in the relevant jurisdictions in which such investors are located.

3. Base Currency

The Base Currency shall be EUR.

4. Investment Management

The Manager has appointed Prime Capital AG as discretionary sub-investment manager and distributor for the Fund pursuant to the Sub-Investment Management Agreement.

The Sub-Investment Manager having its registered office at Bockenheimer Landstrasse 51-53, 60325 Frankfurt am Main, Germany is registered as an asset manager with Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") in Germany (registration number 119947) and is governed by the German Banking Act ("**Kreditwesengesetz**" or "**KWG**"). The Sub-Investment Manager currently manages assets for a client base of insurance companies, pension funds, sovereign wealth funds, family offices, private banks and corporates.

The Sub-Investment Management Agreement is for an indefinite period and may be terminated by either the Manager and the Sub-Investment Manager on the provision of not less than six months written notice or at any time without notice where there has been a breach of the Sub-Investment Management Agreement which remains un-remedied within 30 days of notice of such breach having been received. The Sub-Investment Management Agreement provides that the Company out of the assets of the Fund shall hold harmless and indemnify the Sub-Investment Manager from and against all actions, proceedings, claims, damages, costs, demands and expenses including without limitation legal and professional expenses on a fully indemnity basis ("**Loss**") which may be brought against, suffered or incurred by the Sub-Investment Manager in the performance or non-performance of its duties under the Sub-Investment Management Agreement provided that such Loss does not arise out of negligence, fraud, wilful default, recklessness, bad faith, breach of agreement or breach of applicable law or regulation on the part of the Sub-Investment Manager, its directors, employees, delegates or agents.

The Sub-Investment Manager will carry out the discretionary asset management of the Fund subject to and in accordance with the Sub-Investment Management Agreement. The Sub-Investment Manager will also provide distribution services to the Fund.

5. Investment Objective

The investment objective of the Fund is to provide consistent positive returns by pursuing an investment strategy which seeks to provide returns similar to those of certain diversified hedge fund indices which invest in or have exposure to global equity and credit markets. The investment strategy is comprised of two separate sub-strategies as follows: (i) a long only sub-strategy investing in certain Index CDS and equity index futures (as described below) the returns on which are similar to the HFRI Fund Weighted Index (the "**HFRI Index**") and (ii) a diversified trend following strategy which takes long and synthetic short positions in equity indices, fixed income and currency futures (as described below) the returns on which are similar to the returns on the Newedge CTA Index (the "**Newedge Index**"). The HFRI Index is a global, equal-weighted index of over 2,000 single-manager funds that report to the HFR (Hedge Fund Research) Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of $50 Million under management or a twelve (12) month track record of active performance. Performance data as well as a detailed construction methodology of the HFRI Index are available at http://www.hedgefundresearch.com/. The Newedge Index calculates the net daily rate of return for a pool of commodity trading advisors selected from the largest managers open to new investment and the constituents of which are available at http://www.newedge.com/en/newedge-indices/. By investing in these two sub-strategies the Sub-Investment Manager seeks to manage market related risks ("**beta**") usually associated with investing in global equities and credit markets and aims to limit the extent to which the value of its portfolio will decline by more than 10% of the Net Asset Value of the Fund on an annualized basis through the use of Absolute VaR as a measurement tool, as more particularly described in the "**Investment Strategies**" section below.

The Directors reserve the right to substitute equivalent indices to those described above should they consider it appropriate upon prior written notice to Shareholders and details of such alternative indices will be published in the report and accounts of the Company. For the avoidance of doubt the Fund does not intend to replicate or track the HFR Index or the Newedge Index.

6. Investment Policy

The Fund will seek to achieve its investment objective by investing in a diversified portfolio of financial derivative instruments comprised of (i) exchange traded futures contracts on equity indices, fixed income securities and currencies and (ii) swaps on major credit default swaps indices with exposure to global equity and credit markets ("**FDIs**"). There is no geographic, industry or sector focus nor will the Fund invest in other collective investment schemes. The Fund will aim to achieve its investment objective by implementing the two sub-investment strategies described above in the "**Investment Objective**" section and below in the "**Investment Strategies**" section. The Fund will take a long or synthetic short position in a particular FDI as a means of gaining exposure to the relevant underlying without having to purchase or sell securities directly. The Fund will be taking positions in FDI based on the Sub-Investment Manager's assessment as to whether the value of a particular FDI will go up or down. The Fund will typically hold a long position in a particular FDI where the Sub-Investment Manager expects the value of that particular FDI to go up. The Fund will typically hold a synthetic short position in a particular underlying equity index, fixed income securities or currency through a particular FDI where the Sub-Investment Manager expects the value of that particular FDI to go down. This assessment is carried out by employing the process described in "**Investment Process**" below.

Futures

A futures contract is a financial contract to buy or sell a financial instrument at a predetermined future date and price. A futures contract may require the delivery of the underlying financial instrument or may be cash settled. An equity index future is a cash-settled futures contract based on the value of a particular equity index. A fixed income future is a cash-settled futures contract based on the value of the underlying fixed income markets. A currency future is a futures contract on a currency which may be cash-settled or settled by physical delivery of the underlying currency.

The Fund will enter into equity index futures contracts to buy or sell a predetermined amount of an equity index at a predetermined future date and at a price agreed through a transaction undertaken on an exchange. The Fund will enter into long and/or synthetic short exchange traded equity index futures as a means of gaining exposure to the relevant markets without having to purchase or sell securities directly. Equity index futures are cash-settled and based on the performance of the underlying equity index. Where the Fund takes a long position in an equity index futures contract, it will receive payment based on the appreciation of the underlying equity index and where the Fund goes synthetic short an equity index futures contract, it will receive payment based on the depreciation of the underlying equity index.

The Fund will invest in a diversified portfolio of exchange traded fixed income futures contracts to buy or sell a predetermined amount of a fixed income market at a predetermined future date and at a price agreed through a transaction undertaken on an exchange. The Fund will enter into long and/or synthetic short exchange traded fixed income futures as a means of gaining exposure to the relevant markets without having to purchase or sell securities directly. Fixed income futures are cash-settled and based on the performance of the underlying fixed income markets. Where the Fund takes a long position in a fixed income futures contract, it will receive payment based on the appreciation of the underlying fixed income market and where the Fund goes synthetic short a fixed income futures contract, it will receive payment based on the depreciation of the underlying fixed income market.

The Fund will also enter into currency futures contract to buy or sell a predetermined amount of a particular currency at a predetermined future date and at a price agreed through a transaction undertaken on an exchange. Currency futures are cash settled and based on the performance of the underlying currency markets. Where the Fund takes a long position in a currency futures contract, it will receive payment based on the appreciation of the underlying currency market and where the Fund takes a synthetic short position in a currency futures contract, it will receive payment based on the depreciation of the underlying currency market.

The total gross long position is typically not expected to exceed 1500% of the Net Asset Value of the Fund and the total gross short position is typically not expected to exceed 1500% of the Net Asset Value of the Fund.

The equity index, fixed income and currency futures contracts to which the Fund seeks to gain exposure and the exchange up on which they are traded shall include the following:

Type of Futures Contract	Exchange	Contract
Currency	Chicago Mercantile Exchange	AUDUSD
		CADUSD
		CHFUSD
		EURUSD
		GBPUSD
		JPYUSD
		MXNUSD
		NZDUSD
	Korea Exchange	USDKRW
Equity Index	ASX Trade24	SPI 200 INDEX
	Chicago Board of Trade	DJIA INDEX
	Chicago Mercantile Exchange	NASDAQ 100 INDEX
		S&P500 INDEX
	Eurex	DAX INDEX
		EURO STOXX 50 INDEX
	Euronext Derivatives Paris	CAC40 INDEX
	Hong Kong Futures Exchange	HANG SENG INDEX
	ICE Futures Europe Financials	FTSE 100 INDEX
	ICE Futures US Indices	RUSSELL 2000 INDEX
	Korea Exchange	KOSPI2 INDEX
	Montreal Exchange	S&P/TSX 60 INDEX
	Osaka Exchange	NIKKEI 225 INDEX
		TOPIX INDEX
	Singapore Exchange	MSCI TAIWAN INDEX
	South African Futures Exchange	FTSE/JSE TOP 40 INDEX
Fixed Income	ASX Trade24	90-DAY BANK BILL

		AUST 10Y BOND
		AUST 3YR BOND
	Chicago Board of Trade	US 10YR NOTE
		US 2YR NOTE
		US 5YR NOTE
		US LONG BOND
	Chicago Mercantile Exchange	90DAY EURO$ FUTR
	Eurex	EURO-BOBL FUTURE
		EURO-BUND FUTURE
		EURO-SCHATZ FUT
	ICE Futures Europe Financials	3MO EURO EURIBOR
		90DAY STERLING
		Euro CHF 3MO
		LONG GILT FUTURE
	Montreal Exchange	BANK ACCEPT
		CAN 10YR BOND
	Osaka Exchange	JPN 10Y BOND
	Tokyo Financial Exchange	3MO EUROYEN

Swaps

The Fund may also invest in index-based credit default swaps ("**Index CDS**") so as to gain exposure to a credit default swap index ("**CDS indices**"). Exposure to CDS indices may be used by the Fund in order to take a position on a basket of individual corporate credit risks in a more efficient and cost effective way than taking a direct credit default swap position. Detailed and up to date lists of these individual corporate credit risks can be found by:

- accessing the following link https://www.markit.com/Documentation/Product/CDX and clicking the "Index Annexes" button, then selecting the relevant index from the Markit CDX family of indices; and
- accessing the following link https://www.markit.com/Documentation/Product/ITraxx and clicking the "Index Annexes" button, then selecting the relevant index from the Markit iTraxx family of indices.

The Fund may gain exposure through Index CDS to the following CDS Indices:

Markit CDX Indices

Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDX rebalance semi-annually in March and September. Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly). Further information on the indices can be accessed through the following link: https://www.markit.com/Documentation/Product/CDX.

Markit iTraxx Indices

Markit iTraxx are a family of European, Asian and Emerging tradable credit default swap indices. The iTraxx indices are a family of indices covering multiple sectors. The iTraxx indices rebalance semi-annually in March and September. The Markit iTraxx Europe index is comprised of one hundred twenty five (125) equally weighted European entities with investment grade credit ratings that trade in the CDS market; The Markit iTraxx Crossover index is comprised of fifty (50) European entities with non-investment grade credit ratings that trade in the CDS market. Further information on the indices can be accessed through the following link: https://www.markit.com/Documentation/Product/ITraxx.

Details of any financial indices used by the Fund will be provided to Shareholders of the Fund by the Sub-Investment Manager on request and will be set out in the Company's semi-annual and annual accounts. Any financial index to which the Fund takes exposure through investment in futures and swap contracts will be cleared by the Central Bank or will comply with the ESMA Guidelines on ETFs and other UCITS Issues (as may be amended from time to time) as well as the Central Bank UCITS Regulations and any related guidance thereto (as may be amended or replaced from time to time).

In addition, any financial indices to which the Fund may gain exposure will typically be rebalanced on a daily and monthly basis. The costs associated with gaining exposure to financial indices will be impacted by the frequency and size by which the relevant financial futures markets are rebalanced. The total cost of rebalancing will be minimal and should account for less than 1.0% per year of the NAV of the Fund. The overall trading costs to execute the strategy outlined herein, inclusive of futures exchange fees, clearing and execution fees, should account for less than 2% per year of the NAV of the Fund.

Where the weighting of a particular constituent in the financial indices to which the Fund gains exposure exceeds the investment restrictions set down in the UCITS Regulations, the Sub-Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the relevant Fund. Such remedy would entail the immediate divestment of those futures and swaps which gain exposure to those financial indices that exceeded the investment restrictions set down in the UCITS Regulations.

To the extent that the Sub-Investment Manager seeks to invest in futures on equity indices, fixed income and currency and Index CDS which are not listed in the table above on page 7, such contracts will only include futures on equity indices, fixed income and currency and Index CDS reflecting exposure to European, North American and Asian (Korea, Japan, Hong Kong and Taiwan) markets similar to those set out above and the underlying of any such contracts will be constituted only of those instruments or financial indices in which the Sub-Investment Manager is permitted to invest as set out in this Supplement and the UCITS Regulations. Any such futures contracts will be traded on a Recognised Exchange as contained in Appendix III to the Prospectus.

A list of the Recognized Exchanges in which the Fund is permitted to invest, in accordance with the requirements of the Central Bank, is contained in Appendix III to the Prospectus and should be read in conjunction with, and subject to, the Fund's investment objective and investment policy, as detailed above. The Central Bank does not issue a list of approved markets. With the exception of permitted investments in unlisted securities and subject to the above, investment will be restricted to those stock exchanges and markets listed in Appendix III to the Prospectus.

Investment Strategies

As set out in the section headed "Investment Objective", the Sub-Investment Manager will seek to achieve its investment objective to provide returns similar to those of certain diversified hedge fund indices which invest in or have exposure to global equity and credit markets primarily by taking long and synthetic short positions in futures and swap contracts described above, trading in anticipation of the value of the relevant futures or swap contracts going up or down. In order to achieve this objective the Sub-Investment Manager shall pursue an investment strategy which seeks to manage market related risks ("**beta**") usually associated with investing in global equities and credit markets and to limit the extent to which the value of its portfolio will decline by more than 10% of the Net Asset Value of the Fund on an annualized basis through the use of Absolute VaR as a measurement tool.
More precisely, the Sub-Investment Manager will allocate the Fund's capital to the following two sub-strategies:

a) A long only sub-strategy representing a diversified portfolio of long positions in Index CDS and equity index futures and whose positions will be reviewed daily in order to maintain an Absolute VaR below 10% of the Net Asset Value of the Fund, measured with a one-tailed 99% confidence level and 20 day holding period. VaR is a statistical methodology that attempts to predict, using historical data, the likely scale of losses that might be expected to occur over a given period of time at a given level of confidence. In other words, the Absolute VaR approach is a measure of the maximum potential loss due to market risk over a specified time period. This strategy aims to create enhanced risk-adjusted returns for investors by taking long positions in Index CDS and equity index futures which will generate returns similar to those that would be achieved by investing directly in the relevant equity/credit markets whilst limiting volatility by maintaining an Absolute VaR limit of 10% of the Net Asset Value of the Fund.

b) A diversified trend following strategy taking long or synthetic short positions in equity index futures contracts, fixed income futures contracts and currency futures contracts and whose positions will be reviewed daily in order to maintain an Absolute VaR (as described above), below 10%, of the Net Asset Value of the Fund measured with a one-tailed 99% confidence level and 20 day holding period. The Sub-Investment Manager seeks to employ a trend following strategy which it considers capitalizes on an effect called "momentum", which is the tendency of investments to exhibit persistence in their performance. Investments that have performed relatively well continue to perform relatively well, while those that have performed relatively poorly continue to perform relatively poorly. The diversified trend following strategy is expected to take long positions in markets which have been recently performing well, while taking synthetic short positions in markets which have been recently performing poorly.

In addition to the use of Absolute VaR as a tool to measure whether the Net Asset Value of the Fund will decline by more than 10% on an annualised basis, the Sub-Investment Manager shall, in accordance with the UCITS Regulations and the requirements of the Central Bank, use the Absolute VaR model as part of its risk management process and in respect of which the Fund shall be subject to a separate and distinct VaR limit as more particularly described in the section headed "**Global Exposure and Leverage – Use of VaR Model**" below.

The Sub-Investment Manager intends to allocate capital to each of the strategies described above so that each strategy contributes equally to the risk profile of the Fund. Capital will be allocated to the diversified trend following strategy (i.e. strategy b) above) in such a manner so that the diversified trend following strategy's expected contribution to the aggregate risk of the Fund as measured by the maximum drawdown (i.e. a measurement of the maximum loss attributable to a strategy from its historical peak to trough) equals that of the expected contribution of the long only strategy (i.e. strategy a) above) to the aggregate risk of the Fund. This approach therefore focuses on capital allocation to a strategy by reference to its risk profile rather than by asset class with the objective of ensuring a more even contribution to overall portfolio risk from each strategy. The expected maximum drawdown of each strategy will be estimated using historical performance simulation analysis performed by the Sub-Investment Manager on each strategy. Once the expected maximum drawdown for each strategy is computed, the Sub-Investment Manager will allocate to each strategy an amount of capital inversely proportional to its expected maximum drawdown. For example, if the analysis estimates that the diversified trend following strategy's maximum drawdown is 4% of the capital to be invested in such strategy and that of the long only strategy is 12% of the capital to be invested in such strategy then the Sub-Investment Manager will allocate 75% capital to the diversified trend following strategy and the remaining 25% capital will be allocated to the long only strategy. This allocation and rebalancing process across strategies will be performed systematically (as further described in the "**Investment Process**" section below) by the Sub-Investment Manager at least once a month, each time taking into account the current expected maximum drawdown for each strategy. This methodology, described above, of capital allocation equalising risk contributions is often referred by practitioners and academics as the "**Equal Risk Contribution**" approach.

Trading is done at any time during the day when all the corresponding financial markets are open for trading. The Sub-Investment Manager expects to initially trade each futures market no more than once a day, while the Index CDS positions will be rebalanced less frequently, expected to be approximately once a week.

The Fund is not limited in the trading strategies that it may pursue and subject to the requirements of the Central Bank, may, in the future, broaden its investment processes to implement other strategies and styles of investing upon receiving required Shareholder and Central Bank consents and approvals in advance as applicable.

The Sub-Investment Manager is also authorised to depart from its typical frequency and trading patterns during periods of unusual market volatility or at other times when it believes that defensive strategies are appropriate. If the Sub-Investment Manager deems it appropriate, the Fund may take a defensive investment strategy and may move the entire portfolio to cash or Cash Equivalent Securities in accordance with the limits set out in Appendix I and Appendix II to the Prospectus. For example, a defensive investment strategy may be warranted in exceptional market conditions, such as a market crash or major crisis which in the reasonable opinion of the Sub-Investment Manager would be likely to have a significant detrimental effect on the performance of the Fund, under which circumstances, a reasonable investment manager would be expected to invest in cash or Cash Equivalent Securities as described above.

Forwards

The Fund may also enter into forward foreign exchange contracts. In a forward foreign exchange contract the contract holders are obliged to buy or sell a particular underlying currency at a specified price in a specified quantity and on a specified future date. Forwards are not traded on an exchange, but in the over the counter market. The forward foreign exchange contracts utilised by the Fund will be used for the purpose of mitigating exchange rate fluctuation risks by hedging the value of Shares in the Hedged Classes against changes in the rate of exchange between the Base Currency and currency denomination of the relevant Class.

Investment in Cash and Cash Equivalent Securities

As the Fund pursues its investment strategy primarily through investing in listed equity index, fixed income and currency futures, the Fund is expected to be substantially invested in cash or Cash Equivalent Securities at any given time. To the extent that the Fund holds cash in a currency other than the Base Currency it will seek to convert such cash to the Base Currency on a periodic basis, typically once a week, at the market rate of exchange available to it on the date of such conversion.

Such investments may be held in order to support the taking of positions in futures and swaps or pending investment or reinvestment, or otherwise when the Sub-Investment Manager considers this appropriate. Cash Equivalent Securities invested in by the Fund will be of high quality and may include money market instruments (such as U.S. Treasury Bills), bank deposits, debt securities and bonds issued or guaranteed by any sovereign government issued by supranational or public international bodies, banks, corporates or other commercial issuers, in accordance with the limits contained in Appendix I and Appendix II of the Prospectus.

It is intended that issuers and/or guarantors of any such securities, instruments or bonds will have a credit rating at the time of purchase of at least A1 (or its equivalent) from a recognized ratings agency such as Standard & Poor's, or will be deemed by the Sub-Investment Manager to be of equivalent quality, and that the maturity of these investments will not exceed three years.

Investment Process

The Sub-Investment Manager follows a systematic investment process. The Sub-Investment Manager believes that a detailed analysis of historical price and fundamental data in financial markets leads to a discovery of persistent price patterns or price fluctuations that could be exploited via systematic trading models proprietary to the Sub-Investment Manager to give rise to returns. Some of these persistent sources of returns exploited by the Sub-Investment Manager include for example the equity and credit risk premiums as well as the momentum effect as described above in the "**Investment Strategies**" section. The Sub-Investment Manager typically relies on both academic and proprietary research to identify these patterns. In a second step, the Sub-Investment Manager translates the insights gained from the understanding of these patterns into an actionable trading model. This trading model is implemented so that, for example, the momentum effect, describing the tendency of investments to exhibit persistence in their performance, can be translated into an investment strategy going long instruments which experienced price appreciation in the past, while going short instruments which experienced price depreciation in the past. In a third step, the Sub-Investment Manager simulates the performance of that particular trading model using historical price data. If the simulation results are satisfactory, the Sub-Investment Manager may then decide to allocate some of the Fund's capital to this strategy. Some of the indicators the Sub-Investment Manager looks at to gauge the quality of a trading model include among others, its performance, risk profile, frequency of trading and transaction costs as well as the length of the simulation period.

Minimizing risk in relation to return is pivotal to the Sub-Investment Manager's investment framework and the Sub-Investment Manager's risk control system seeks to enable the Fund to withstand extreme events in financial markets. Internal risk control systems prohibit taking additional positions once certain limits are breached. The Sub-Investment Manager monitors and reconciles positions daily to avoid any breaches of such limits and to confirm positions as against broker statements. This trading model generates signals to reduce the size of the risks in the Fund as market volatility increases, as such rising volatility is a typical characteristic of stressed market conditions. This approach to "de-risking" the Fund is intended to protect it from losses in the event of extreme market events.

Such trading model uses historical price data to estimate the Fund's Absolute VaR (as described in section "**Global Exposure and Leverage - Use of VaR Model"**). During stressed market conditions, the Fund's Absolute VaR, as estimated by the trading model will tend to rise, reflecting the increased potential market risk. Where the Fund's Absolute VaR, as estimated by the trading model, rises above 10% (measured with a one-tailed 99% confidence level and 20 day holding period) as a result of stressed market conditions, the trading model will generate de-risking signals, prompting the Sub-Investment Manager to make partial divestments across all positions. The Sub-Investment Manager will divest such positions on a pro-rata basis across all positions in the Fund (i.e. scale back every position by the required percentage). The size of the pro rata percentage reduction in positions will be directly correlated to the strength of the de-risking signal generated by the model. These partial divestments across all positions will bring the Fund's Absolute VaR back below 10% (measured with a one-tailed 99% confidence level and 20 day holding period), thus achieving the desired risk reduction. The Sub-Investment Manager seeks to control the Fund portfolio's risk in a manner consistent with the long-term investment objective of the Fund. All trading is done in highly liquid financial futures and swaps to avoid issues related to liquidity.

All investment strategies employed by the Sub-Investment Manager in respect of the Fund are proprietary to the Sub-Investment Manager.

Investment Restrictions

The general investment restrictions as set out in "**Permitted Investments and Investment Restrictions**" in Appendix I of the Prospectus shall apply. The Fund will only invest in assets that are permitted under the UCITS Regulations and which are also eligible assets within the meaning of the German Investment Tax Act as more particularly set out in "**Application of German Investment Tax Act**" in Appendix II to the Prospectus.

General

The investment methods and strategies used by the Fund are proprietary and confidential. The aforementioned description is general in nature and is not intended to be exhaustive. There can be no guarantee that the Sub-Investment Manager's assumptions regarding the availability of investment opportunities will prove accurate or that its investment methods and strategies or any particular investment will be profitable. There is also no assurance that the investment objective of the Fund will be achieved.

7. Global Exposure and Leverage - Use of VaR Model

The Fund may use a number of FDI for investment purposes in the manner more particularly described under the heading "**Investment Policy**" above. The Fund may leverage its positions to generate a notional exposure in excess of the Net Asset Value of the Fund when calculated using VaR methodology in accordance with the Central Bank's requirements.

The Fund will use the Absolute VaR model as part of its risk management process and adhere to the leverage limits applicable to the Absolute VaR model set out herein. As set out above, VaR is a statistical methodology that attempts to predict, using historical data, the likely scale of losses that might be expected to occur over a given period of time at a given level of confidence. In other words, the Absolute VaR approach is a measure of the maximum potential loss due to market risk over a specified time period. The Absolute VaR of the Fund calculated daily using a one-tailed 99% confidence level and 20 day holding period, with a 250 day historical observation period, is limited to 20% of Net Asset Value of the Fund. This does not mean that losses cannot exceed 20% of Net Asset Value of the Fund over a 20 day holding period, rather that one would only expect losses to exceed 20% of the Net Asset Value of the Fund 1% of the time assuming that positions were held for 20 days. While VaR is a widely used tool to measure the risk of a portfolio, it does have some limitations. Generally, limitations result from the methodology's reliance on historical data and estimated correlations between portfolio holdings, which may not be a good predictor of future market environments, particularly where the Fund experiences abnormal market conditions. An additional limitation of VaR is its focus on market risk as it does not measure other risks that may impact the Net Asset Value of the Fund. For example, VaR does not take into account liquidity risk, which may be a meaningful risk for a fund that utilizes FDI. Therefore, while the Fund utilizes the Absolute VaR methodology described above, there is no guarantee that this methodology captures the Fund's entire risk profile as generated through the use of FDIs.

The leverage exposure of the Fund through the use of FDIs will typically not exceed 1000% of its Net Asset Value, under normal market conditions, as calculated based on the sum of the notionals of the FDI positions held. While such leverage will fluctuate depending on market conditions, such leverage in any case shall not exceed 1500% of the Net Asset Value of the Fund. Such maximum leverage levels are triggered only during extreme market conditions and the Sub-Investment Manager will take actions to reduce leverage below the maximum leverage of 1500% within a period of less than five Business Days. The use of the investment strategies described above may result in a significant contribution to the leverage figure of 1000% based on the sum of the notionals calculation. The use of such strategies will contribute more heavily to the sum of the notionals calculation even though the underlying economic and market risk arising from these strategies exposure may be low in comparison to the size of the portfolio. For example, despite these higher levels of leverage, the Fund targets an Absolute VaR of below 10%, a figure half the limit of 20% stated in this section. This lower level of Absolute VaR coupled with generally higher leverage is achieved because the Sub-Investment Manager will typically employ higher leverage only for instruments with a low expected Absolute VaR, such as futures on fixed income with a short duration, while typically employing no leverage for instruments with higher expected Absolute VaR, such as futures on equity indices. For example, to increase the Fund's Absolute VaR by an additional 1%, long positions in futures on fixed income with a short duration will typically require a notional 8 times greater than that required by long positions in equity index futures.

The use of leverage through FDIs, particularly during periods of abnormal and adverse market conditions can significantly magnify losses incurred by the Fund. Accordingly, Shareholders in the Fund could lose a substantial portion of their investment in such cases.

It is not intended that the Fund will employ leveraging techniques through borrowing. Accordingly, the Fund will not purchase securities if amounts to be borrowed by way of overdraft to facilitate settlement exceed 10% of its total assets at the time the loan is made. The Fund may not borrow to invest in derivatives transactions or to cover individual FDI positions, nor may the Fund leverage its strategy through borrowing. Borrowing is limited to 10% of the NAV of the Fund and may only be used for temporary purposes such as cash flow mismatches.

8. Collateral Management Policy

In respect of any over the counter FDI utilized by the Fund, namely forward foreign exchange contracts and Index CDSs, the Fund will, where necessary, accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter FDI and update this Supplement accordingly to provide further detail on collateral so used. Any collateral received by the Fund shall comprise of cash collateral and/or securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS.

Cash collateral received by the Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Sub-Investment Manager. In this regard, any cash collateral received by the Fund may also be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed.

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

9. Risk Management Process

The Fund will employ a risk management process based on the VaR approach which will enable it to accurately monitor, measure and manage the risks attached to FDI and details of this process have been provided to the Central Bank. The Fund will not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

10. Offer

Initial Offer

The initial offer period in respect of the Class I USD Shares, Class I EUR and Class I CHF Shares (the "**Class I Initial Offer Period**") has now closed.

Class R EUR Shares and Class R CHF Shares will be offered from 8.00 a.m. (Irish time) on 20 September, 2016 until 4.00 p.m. (Irish time) on 14 July, 2017 (the "**Class R Initial Offer Period**") at the Initial Price set out below (plus any applicable duties or charges) and Class R Shares will be issued for the first time on the first Dealing Day after the expiry of the Class R Initial Offer Period.

Class R2 EUR Shares will be offered from 8.00 a.m. (Irish time) on 20 September, 2016 until 4.00 p.m. (Irish time) on 14 July, 2017 (the "**Class R2 Initial Offer Period**") at the Initial Price set out below (plus any applicable duties or charges) and Class R2 Shares will be issued for the first time on the first Dealing Day after the expiry of the Class R2 Initial Offer Period.

Initial Price

Class	Initial Price
Class I EUR	EUR 100
Class I USD	USD 100
Class I CHF	CHF 100
Class R EUR	EUR 100
Class R CHF	CHF 100
Class R2 EUR	EUR100

The Class R Initial Offer Period for each of the Class R EUR Shares and Class R CHF Shares and the Class R2 Initial Offer Period for Class R2 EUR Shares may be extended or shortened by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received during the Initial Offer Period and otherwise on a yearly basis.

Subsequent Offer

After the closing of the Class I Initial Offer Period, Class I Shares of the Fund will be issued at their Net Asset Value per Share (plus any applicable duties or charges). After the closing of the Class R Initial Offer Period, Class R Shares of the Fund will be issued at their Net Asset Value per Share (plus any applicable duties or charges). After the closing of the Class R2 Initial Offer Period, Class R2 Shares of the Fund will be issued at their Net Asset Value per Share (plus any applicable duties or charges).

11. Minimum Subscription

The Directors are entitled to impose Minimum Subscription and Minimum Transaction Size requirements in respect of each Class of Shares. To date the Minimum Subscription and Minimum

Transaction Size requirements in respect of each Class of Shares is as follows:

Class of Shares	Minimum Subscription	Minimum Transaction Size
Class I EUR	EUR 50,000	EUR 10,000
Class I USD	USD 50,000	USD 10,000
Class I CHF	CHF 50,000	CHF 10,000
Class R EUR	EUR 5,000	EUR 2,000
Class R CHF	CHF5,000	CHF 2,000
Class R2 EUR	EUR 5,000	EUR 2,000

The Minimum Subscription and the Minimum Amount for subsequent subscriptions may be reduced by the Directors at their discretion in any particular case.

12. Application for Shares

During the relevant Initial Offer Period a duly completed Application Form must be received by the Administrator no later than 4 p.m. (Irish time) on the closing date of the Initial Offer Period for the relevant Class. Cleared funds in respect of the subscription monies must be received for the account of the Fund no later than 4 p.m. on the last day of the relevant Initial Offer Period. Following the close of the relevant Initial Offer Period, applications in respect of the Fund received by the Administrator prior to the Subscription Dealing Deadline before the relevant Dealing Day will be dealt with on that Dealing Day. If any application is received after the Subscription Dealing Deadline, it will be deemed to have been received in respect of the next Dealing Day and dealt with accordingly. The Directors may, at their discretion, resolve to accept applications received after the Subscription Dealing Deadline but prior to the Valuation Point, in exceptional circumstances. Following the close of the relevant Initial Offer Period, confirmed cleared funds must be received three (3) Business Days after the relevant Dealing Day (the "**Settlement Date**") as further detailed in the Section "**Timing of Payment**" below. For further information on the application procedure Shareholders' attention is drawn to the Section of the Prospectus entitled "**The Shares**" and the sub-section therein entitled "**Application Procedure**" which outlines further information on the application procedure to be followed.

No redemptions will be paid until the original Application Form and such other papers as may be required by the Administrator have been received and all anti-money laundering procedures have been completed.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by mail or facsimile or posted by electronic dealing (such as SWIFT or file transfer protocol and subject to prior agreement with the Administrator and to the exclusion of unsecured or deemed unsecured media such as e-mails) ("**Electronic Application**") or such other means as may be permitted by the Directors and agreed with the Administrator in accordance with the requirements of the Central Bank without a requirement to submit original documentation. The Directors or the Administrator reserves the right to refuse dealing by any means it considers as non-compliant or not technically feasible. Subsequent applications should contain such information as may be specified from time to time by the Administrator.

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

Fractions

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0·001 of a Share.

Subscription monies, representing less than 0·001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

Method of Payment

Subscription payments net of all bank charges should be paid by SWIFT transfer to the bank account specified in the Application Form enclosed with this Prospectus. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the currency of denomination of the relevant Class. The Company will not accept applications for Shares in currencies other than the currency of denomination of the relevant Class in which the applicant has elected to apply for Shares.

Timing of Payment

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than the Settlement Date. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Company or its delegate may cancel the subscription. The Company reserves the right to cancel, or to instruct its delegate to cancel, without notice any contract for which payment has not been received by the Settlement Date and to recover any losses incurred. The Company may charge the applicant or, if the applicant is a Shareholder, redeem or sell all or part of his holding of Shares and use the proceeds thereof to satisfy and make good any loss, cost, expense or fees suffered by the Company as a result of non-receipt of such funds. In addition, settlement is conditional upon all the appropriate documentation being received by the Company or its delegate prior to the Subscription Dealing Deadline in the required format with all details correct and with valid authorization. Shareholders are invited to carefully review the risk factor entitled "**Non-Payment of Subscription Monies**", under the section "**Risk Factors**" of the Prospectus.

Confirmation of Ownership

Written confirmation of each purchase of Shares will normally be sent to Shareholders within 4 Business Days of the relevant Dealing Day. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

13. Redemption of Shares

Redemption of Shares

Shareholders may redeem their Shares on any Dealing Day at the Net Asset Value per Share on the relevant Dealing Day (less any applicable duties or charges) (save during any period when the calculation of Net Asset Value is suspended). Redemption requests for Shares received by the Administrator before the Redemption Dealing Deadline will be dealt with on that Dealing Day. Redemption requests received after the Redemption Dealing Deadline will, at the discretion of the Directors, be deemed to have been received in respect of the next Dealing Day and dealt with accordingly. Shareholders' attention is drawn to the Section of the Prospectus entitled "**The Shares**" and the sub-section therein entitled "**Redemption of Shares**" which outlines further information on the redemption procedure to be followed. The Directors may, at their discretion, resolve to accept redemption requests received after the Redemption Dealing Deadline but prior to the Valuation Point, in exceptional circumstances.

In addition to standard dealing by mail or facsimile, redemption orders can also be posted by electronic dealing such as SWIFT or file transfer protocol ("**Electronic Request**") and subject to prior agreement with the Administrator and to the exclusion of unsecured or deemed unsecured media such as e-mails. The Directors or the Administrator reserves the right to refuse any means of dealing it considers as not compliant or not technically feasible.

The redemption price per Share shall be the Net Asset Value per Share.

Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing. Redemption payments following processing of instructions received by facsimile will only be made to the account of record of a Shareholder.

Currency of Payment

Shareholders will normally be repaid in the currency of denomination of the Class from which the Shareholder has redeemed Shares.

Timing of Payment

Redemption proceeds in respect of Shares will normally be paid within five (5) Business Days of the relevant Dealing Day (and in any event should not exceed ten (10) Business Days from the relevant Dealing Deadline) provided that all the required documentation has been furnished to and received by the Administrator.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory/Total Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "**Compulsory Redemption of Shares**" and "**Total Redemption of Shares**".

14. Conversion of Shares

Subject to the Minimum Subscription requirements of the relevant Fund or Class, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "**Conversion of Shares**" and subject to any Minimum Transaction Size requirements applicable to a particular Class or Fund. Requests for conversion of Shares in a Class to another Class in the Fund should be made to the Administrator prior to the Redemption Dealing Deadline and in the case of conversion of Shares in the Fund to another Fund prior to the earlier of the Redemption Dealing Deadline and the dealing deadline for subscriptions in the other Fund by facsimile, written communication or electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank) or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Administrator.

15. Dividend Policy

It is not the current intention of the Directors that dividends be recommended for payment to Shareholders in the Fund. If dividends are to become payable, Shareholders will be notified in advance and full details will be provided in an updated Supplement for the Fund.

16. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "**Suspension of Valuation of Assets**". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

17. Fees and Expenses

Establishment Expenses

All fees and expenses relating to the establishment of the Fund and registering the Fund for sale in various markets will be borne by the Fund. Such fees and expenses are estimated not to exceed an amount of €20,000 and may be amortised over the first four Accounting Periods of the Company and in such manner as the Directors in their absolute discretion deem fair.

Management, Custodial and Administration Expenses

The aggregate fees and expenses payable out of the assets of the Fund in respect of the provision of management (excluding fees payable to the Sub-Investment Manager as described under the heading "Sub-Investment Management Fees" below), administration and custodial services and its attributable portion of the operating expenses of the Company including for the amortisation of establishment costs will not exceed 200 basis points per annum of the Net Asset Value of the Fund (the "**Fee Cap**"). This will include (i) any fees and expenses payable to each of the Manager, the Administrator and the Depositary in respect of the provision of services (excluding in the case of the Manager the fees payable to the Sub-Investment Manager as more particularly described below) to the Fund (the "**Service Provider Fees**") and (ii) the fees and expenses of each of the Company Secretary, the Money Laundering Reporting Officer for the Company, the fees payable to the Auditors and the Directors (the "**Third Party Fees**"). The Service Provider Fees shall accrue and shall be payable out of the assets of the Fund on a monthly basis. The Third Party Fees shall accrue and shall be payable out of the assets of the Fund on a monthly basis or otherwise on an annual basis as may be agreed from time to time.

Any additional fees and operating expenses of the Company which may be borne by the Fund (other than those detailed above or below) are set out in detail under the heading "**Fees and Expenses**" in the Prospectus.

Each of the Manager, the Administrator, the Depositary and the third party service providers referred to above will also be reimbursed for all reasonable out-of-pocket expenses incurred on behalf of the Company in the performance of its duties. The Depositary will also charge third party transaction fees and sub-custodian fees and expenses at normal commercial rates.

Any proposed increase to the Fee Cap shall not be made without the prior approval of Shareholders.

Preliminary Charge

A Preliminary Charge of up to 5% of the Net Asset Value of Class I Shares being purchased may be charged and, in such case, shall be payable to the Manager, who may in turn pay some or all of such amount to the Sub-Investment Manager or sub-distributors that it has appointed. The Directors may, at their discretion, reduce or waive such Preliminary Charge or subject always to the requirement to ensure fair treatment of Shareholders differentiate between Shareholders as to the amount of such Preliminary Charge. The Directors do not currently intend to impose a Preliminary Charge.

Redemption Charge

The Directors do not currently intend to impose a redemption charge.

Conversion Fee

The Directors do not currently intend to impose a conversion fee.

Anti-Dilution Levy / Duties and Charges

The Company reserves the right to impose an 'anti-dilution levy' representing a provision for market spreads (the differences between the prices at which assets are valued and/or bought or sold), and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the Fund, in the event of receipt for processing of net subscriptions and/or redemptions, including subscriptions and redemptions which would be effected as a result of requests for conversion from one Fund into another Fund. Any such provision may be added to the price at which Shares will be issued in the case of net subscription requests exceeding 10% of the Net Asset Value of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 10% of the Net Asset Value of a Fund, including the price of Shares issued or redeemed as a result of requests for conversion. The application of any provision will be subject to the overall direction and discretion of the Company.

Investment Management Fee

The Sub-Investment Manager is entitled to charge a monthly investment management fee (the "**Investment Management Fee**") up to the percentage specified in the following table of the Net Asset Value of each Class calculated prior to the deduction of the Investment Management Fee and the Performance Fee. The Investment Management Fee shall be calculated and accrue daily and be payable monthly in arrears and shall be payable out of the assets of the Fund.

Class Investment Management Fee

Class I Shares: 0.5%
Class R Shares: 1.25%
Class R2 Shares: 1.75%

The Sub-Investment Manager may, at its discretion, contribute from its own assets directly towards the expenses attributable to the establishment and/or operation of the Fund and/or the marketing, distribution and/or sale of the Shares. The Sub-Investment Manager also may, from time to time at its sole discretion, use part of its Investment Management Fee to remunerate certain third party distributors, financial intermediaries and may pay reimbursements or rebates to certain institutional shareholders in circumstances where its fees are charged directly to such intermediaries and/or institutional shareholders and not to the Fund.

Distribution Fee

The Sub-Investment Manager will not charge additional fees for the provision of distribution services to the Fund. However, the fees of any sub-distributors or Paying Agent shall be paid out of the assets of the Fund at normal commercial rates.

Performance Fee

The Sub-Investment Manager shall be entitled to receive out of the assets of the Fund in the case of Class I Shares and the Class R Shares a performance fee at a rate of 10% of "**New Net Profits**" above the “**High Water Mark**” of the assets of the Fund at the end of a Performance Period (the “**Performance Fee**”). The Performance Fee shall accrue on each Dealing Day and be payable monthly out of the assets of the Fund. If the assets of the Fund do not earn New Net Profits over the High Water Mark at the end of the relevant Performance Period, no Performance Fee shall be due to the Sub-Investment Manager unless and until the New Net Profits exceed the High Water Mark. The amount of the Performance Fee paid to the Sub-Investment Manager, if any, shall not be reimbursed to the Fund in the event of subsequent losses. The Performance Fee is only payable on the increase over the New Net Profits above the High Water Mark.

Where the following terms shall have the following meanings:

“**High Water Mark**” shall mean, in the case of the first Performance Period, the Initial Price and, in the case of any other Performance Period, the highest NAV per Share of the Fund on which a Performance Fee was paid/accrued and shall be adjusted for subscriptions and redemptions.

“**New Net Profits**” shall mean the new net profits of the assets of the Fund and shall be calculated in accordance with IFRS generally accepted accounting principles and shall include net realised profit or loss from closed positions, change in net unrealised profit and loss on open positions after deducting brokerage commissions, transaction fees, money management fees and other fees and charges accrued.

“**Performance Period**” shall mean each calendar month commencing (in the case of the first such period) from and including the date of the first issue of Shares of the Fund following the close of the relevant Initial Offer Period or (in any other case) from the end of the last calendar month.

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

Where a Performance Fee is payable to the Sub-Investment Manager out of the assets of the Fund, it shall be calculated upon New Net Profits above the High Water Mark, calculated at the end of the relevant Performance Period. Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant period. As a result, the Performance Fee may be paid on unrealised gains which may subsequently never be realised.

18. Risk Factors

Investors should recognise that investing in the Fund involves special considerations not typically associated with investing in other financial instruments. The Fund's investment strategy carries considerable risks. The Fund follows investment strategies which seek to produce consistent positive returns irrespective of market returns and therefore an investment in the Fund may not be suitable for all investors.
Investment in the Fund carries with it a high degree of risk. The value of Shares (and the income from them) may go down as well as up and investors may not get back, on redemption or otherwise, the amount originally invested or any amount at all. The following factors should be carefully considered by investors.

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Risk Factors**” section of the Prospectus. The Manager considers that the risk factors entitled “Performance Fee Risk”, Exchange Control Repatriation Risk”, “Political, Regulatory, Settlement and

Sub-Custodial Risk", "Currency Risk", "Derivatives and Techniques and Instruments Risk", which are described in the Prospectus, are relevant to an investment in the Fund.

These investment risks are not purported to be exhaustive and potential Shareholders should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective. In addition, the following risk factors apply to the Fund:

Trading Risks

All trading activities risk the loss of capital. While the Sub-Investment Manager attempts to moderate these risks through the Fund's investment program and risk management techniques, there can be no assurance that the Fund's investment and trading activities will be successful or that Shareholders of the Fund will not suffer losses.

The success of the Fund's investment activities will depend on the Sub-Investment Manager's ability to identify and exploit relatively stable patterns of correlation and dependent behavior between different market segments. Identification and exploitation of such opportunities involves uncertainty. No assurance can be given that the Sub-Investment Manager will be able to locate investment opportunities or to correctly exploit price discrepancies in the marketplace.

Depending upon the investment strategies employed and market conditions, the Fund may be adversely affected by unforeseen events involving such matters as political crises, changes in currency exchange rates, interest rates and other events. Although the Sub-Investment Manager intends to implement de-risking techniques to manage investment risk (as described in the "**Investment Process**" section above), there can be no assurance that such techniques will be successful.

Risks of Special Techniques Used by the Sub-Investment Manager

The Fund invests using special investment techniques, as detailed in "**Investment Strategies**" and "**Investment Process**" above and identified as the two investment sub-strategies, the "Equal Risk Contribution" approach and the Sub-Investment Manager's "systematic investment process", that may subject the Fund's investments to certain risks, not all of which are summarized herein. The Fund is designed to provide consistent positive returns by pursuing an investment strategy which seeks to provide returns similar to those of certain diversified hedge fund indices as further described in the "**Investment Objective**" section above and should be viewed as an alternative to and not a substitute for equity investment. The Fund opportunistically implements whatever strategies or discretionary approaches it believes from time to time may be best suited to prevailing market conditions. There can be no assurance that the Sub-Investment Manager will be successful in applying any strategy or discretionary approach to the Fund's trading.

Portfolio Volatility

The value of the Fund's portfolio may decrease if the value of financial instruments traded by the Sub-Investment Manager decrease. The value of the Fund's portfolio could also decrease if the overall market declines. If this occurs, the Fund's NAV may also decrease. Certain market segments, in which the Sub-Investment Manager may invest, may be characterized by above average price volatility and rapid change of sector-specific market conditions. The Fund's Shareholders may be, therefore, exposed from time to time to relatively volatile performance curve and may experience negative performance during periods of unfavorable market situation, or in the instances of negative correlation between the U.S. securities market and the securities markets in other countries.

Market Risk

The success of the activities of the Fund is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of the price of securities and the liquidity of the Fund's investments in futures and swaps. Volatility and liquidity of the futures and swaps markets could impair the profitability of the Fund or result in losses. Major corrections or longer period market downturns may depreciate the value of the Fund's holdings regardless of the risk management techniques applied by the Sub-Investment Manager. Moreover, since the Fund's holdings may be from time to time concentrated in a relatively small number of fixed income, equity index and currency futures and Index CDS, the Fund's Shareholders may be exposed to the risk of unfavorable conditions within these trading instruments. Finally, if for some reason the bulk of the investing public exits these fixed income, equity index and currency futures in search of more promising investments opportunities elsewhere, such investment rotation and accompanying selling pressure in the areas of the Fund's main investments may substantially lower the Fund's NAV.

Market Disruptions

The Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way which is inconsistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.

In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Fund to close out positions.

Lack of control and reliance on the Sub-Investment Manager

Shareholders will have no right to participate in the daily management of the Fund or in the control of its daily business. Accordingly, no person should purchase any Shares unless he/she/it understands that the Sub-Investment Manager is responsible for the discretionary investment management of the assets of the Fund. The Fund's success will depend upon the ability of the Sub-Investment Manager to implement its investment policy and strategy so as to achieve the investment objective. The death, disability or withdrawal of one or more of the key employees of the Sub-Investment Manager, or the financial or operational difficulties of the Sub-Investment Manager could adversely affect the Fund.

Performance Fee to the Sub-Investment Manager

The Sub-Investment Manager will receive a Performance Fee, based upon the net capital appreciation, if any, in the net assets of the Fund. The Performance Fee may create an incentive for the Sub-Investment Manager to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, because the Performance Fee is calculated on a basis which includes unrealized appreciation of the Fund's assets, it may be greater than if such compensation were based solely on realized gains.

Counterparty Risk

The Fund is subject to the risk of the inability of any counterparty (including any broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. If there is a failure or default by the counterparty to such a transaction, the Fund will have contractual remedies pursuant to the agreements related to the transaction (which may or may not be meaningful depending on the financial position of the defaulting counterparty).
The Sub-Investment Manager seeks to minimise the Fund's counterparty risk through the selection of financial institutions and types of transactions employed. However, the Fund's operational mechanisms may involve counterparty and other risk elements that may create unforeseen exposures.

Operational Risk

The Fund depends on the Sub-Investment Manager to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Fund's operations may cause the Fund to suffer financial loss, the disruption of its businesses, liability to clients or third parties, regulatory intervention or reputational damage. The Fund's business is highly dependent on the ability to process, on a daily basis, a large number of transactions across numerous and diverse markets. Consequently, the Fund relies heavily on its financial, accounting and other data processing systems. The ability of its systems to accommodate its volume of transactions could also constrain the Fund's abilities to properly manage its portfolio.

Transaction Costs

The Fund's investment approach may involve a high level of trading and turnover of the Fund's Investments which may generate substantial transaction costs which will be borne by the Fund.

Conflicts of Interest

The compliance department of the Sub-Investment Manager takes all reasonable steps to identify, manage and monitor potential conflicts of interest which may arise between itself and the Manager, Fund and Shareholders. The Sub-Investment Manager has appropriate compliance procedures in place and discloses potential conflicts of interest as well as the procedures and measures to be adopted by it in order to manage such conflicts of interest to the Manager.

The potential conflicts with the interests of the Fund or any of the Shareholders are appropriately considered by the Manager. The Sub-Investment Manager and the Manager are not members of the same group or have any other contractual relationship. The Sub-Investment Manager does not control the Manager or have the ability to influence the Manager's actions. The likelihood that the Sub-Investment Manager shall make a financial gain or avoid a financial loss at the expense of the Manager, Fund and Shareholders is restricted by the effective ongoing supervision by the risk management and compliance departments of the Manager. The likelihood that the Sub-Investment Manager (i) has an interest in the outcome of a service or an activity provided to the Fund; (ii) has a financial or other incentive to favour the interest of another client over the interests of the Fund or the Shareholders; and/or (iii) receives or will receive from a person other than the Manager an inducement in relation to the collective portfolio management activities provided to the Manager and the Fund it manages in the form of monies, goods or services other than the standard commission or fee for that service, are restricted by the effective compliance framework of the Manager and the ongoing outsourcing control undertaken by the risk management department of the Manager.

RISKS ASSOCIATED WITH FUTURES TRADING

General

The transactions in which Sub-Investment Manager generally will engage involve significant risks. Growing competition may limit Sub-Investment Manager's ability to take advantage of trading opportunities in rapidly changing markets. Price movements of futures contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures also depends upon the price of the financial instruments underlying them. In addition, the Fund's assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. No assurance can be given that a Fund will realize a profit on its account or that it will not lose some or all of its account equity. In addition, the Fund will be subject to margin calls in the event that the assets of its account on deposit with a futures clearing broker are insufficient to satisfy margin requirements. Because of the nature of the trading activities, the results of Sub-Investment Manager's trading activities may fluctuate from month to month and from period to period. Accordingly, Shareholders should understand that the results of a particular period will not necessarily be indicative of results in future periods.

Futures Trading Is Speculative

Futures prices are highly volatile. Price movements for futures are influenced by, among other things, governmental trade, fiscal, monetary and exchange control programs and policies; weather and climate conditions; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the markets.

Failure of Futures Clearing Brokers

To the extent that the Fund engages in futures contract trading and the futures clearing brokers with which the Fund maintains accounts fail to segregate the Fund's assets, the Fund will be subject to a risk of loss in the event of the bankruptcy of any of its futures clearing brokers. In certain circumstances, the Fund might be able to recover, even with respect to property specifically traceable to the Fund, only a pro rata share of all property available for distribution to a bankrupt futures commission merchant's customers.

Futures Trading May Be Illiquid

Futures trading in many contracts on futures exchanges (although generally not in currencies) is subject to daily price fluctuation restrictions, commonly referred to as "daily limits", which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day's closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Sub-Investment Manager to liquidate a futures position against which the market is moving. A series of "limit moves", in which the market price moves the "daily limit" with little or no trading taking place, could subject the Fund to major losses.

Possible Effects of Speculative Position Limits

The U.S. Commodity Futures Trading Commission ("**CFTC**") and certain exchanges have established speculative position limits on the maximum net long or short futures positions which any person or group of persons acting in concert may hold or control in particular futures contracts. The CFTC has adopted a rule requiring each domestic exchange to set speculative position limits, subject to CFTC approval, for all futures contracts and options traded on such exchange which are not already subject to speculative position limits established by the CFTC. The CFTC has jurisdiction to establish speculative position limits with respect to all futures contracts traded on exchanges located in the United States, and any exchange may impose additional limits on positions on that exchange. All trading accounts owned or managed by the Sub-Investment Manager and its principals will be combined for speculative position limit purposes. With respect to trading in futures subject to such limits, the Sub-Investment Manager may reduce the size of the positions which would otherwise be taken in such futures and determine not to trade certain futures in order to avoid exceeding such limits. Such modification, if required, could adversely affect the profitability of the client's account.

Systematic Trading

The Sub-Investment Manager will use systematic trading strategies to primarily take positions in equity-related FDIs as described in the "**Investment Policy**" section above. Accordingly, the Sub-Investment Manager will base its decisions not on fundamental supply and demand factors, economic factors or anticipated events, but rather on technical and statistical trading systems involving, among other things, trend analysis and other price-based factors relating to the market itself. The profitability of such systematic trading depends upon the occurrence in the future of sustained market moves in line with the Sub-Investment Manager's analysis of historical market data. While the Sub-Investment Manager believes it has shown the successful operation of its investment strategy based on such historical analysis, actual future performance cannot be predicted, in part, because trading conditions are likely to differ and the application of past actual performance is an imperfect predictor of future results. Rigid adherence to the systematic trading system employed by the Sub-Investment Manager could miss opportunities or lead to losses which an exercise of discretion based on an analysis of fundamental factors might have avoided. Additionally, the systematic trading models utilized by the Sub-Investment Manager may lead to the execution of a high volume of trades in a relatively short period of time which may lead to increase commission costs for the Fund, thereby increasing fund expenses.

Risks of Quantitative Trading Strategies

The Sub-Investment Manager intends to use quantitative mathematical models that rely on patterns inferred from historical prices and other financial data in evaluating prospective investments. However, most quantitative models cannot fully match the complexity of the financial markets and therefore sudden unanticipated changes in underlying market conditions can significantly impact the performance of the Fund. Further, as market dynamics shift over time, a previously highly successful model may become outdated – perhaps without the Sub-Investment Manager recognizing that fact before substantial losses are incurred. Moreover, there are an increasing number of market participants who rely on quantitative mathematical models. These models may be similar to those used by the Fund, which may result in a substantial number of market participants taking the same action with respect to an investment and some of these market participants may be substantially larger than the Fund. Should one or more of these other market participants begin to divest themselves of one or more positions, a "crisis correlation", independent of any fundamentals and similar to the crises that occurred, for example, in September 1998 and August 2007, could occur, thereby causing the Fund to suffer material, or even total, losses. Further, the Fund may rely on patterns inferred from the historical series of prices and other financial data. Even if all the assumptions underlying the models were met exactly, the model can only make a prediction, not afford certainty. There can be no assurance that the future performance will match the prediction. Further, most statistical procedures cannot fully match the complexity of the financial markets and as such, results of their application are uncertain. In addition, changes in underlying market conditions can adversely affect the performance of a statistical model.

RISKS ASSOCIATED WITH OTHER INVESTMENT INSTRUMENTS

Credit Default Swap Indices

Credit default swaps operate generally to provide investment in the credit risk of firms where the risk is low relative to the market price of such risk. An advantage of a credit default swap to a corporate bond, or other debt instrument is that it facilitates very specific, liquid cost effective exposure to a specific company's credit. The pricing of the credit spread risk is liquid and transparent and market makers publish and update pricing information intra-day and daily.

CDS Indices can either serve as a substitute for single name credit default swap, to hedge credit exposure, or as a more efficient and cost effective way than taking a direct CDS position. CDS Indices are more liquid and generally trade at a smaller bid-offer spread than single name CDS. Further, counterparty risk is mitigated as CDS Index Swaps are centrally cleared.

Fixed-Income Securities and Price Fluctuations

The value of fixed income securities in which the Fund will invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Valuations of other fixed income instruments may fluctuate in response to changes in the economic environment that may affect future cash flows. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline.

Although interest-bearing securities are designed to produce fixed income streams, the prices of such securities typically are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. Thus, if interest rates have increased from the time a security was purchased, such security, if sold prior to maturity, might be sold at a price less than its cost. Similarly, if interest rates have declined from the time a security was purchased, such security, if sold prior to maturity, might be sold at a price greater than its cost. In either instance, if the security was purchased at face value and held to maturity, no gain or loss would be realized. Certain fixed income securities to which the Fund may gain exposure through the use of FDIs, such as those with interest rates that fluctuate directly or indirectly based on multiples of a stated index, are designed to be highly sensitive to changes in interest rates, resulting in substantial reductions of yield and possibly decline in principal.

The values of fixed-income securities also may be affected by changes in the credit rating or financial condition of the issuing entities. Once the rating of a security purchased by the Fund has been adversely changed, the Fund will consider all circumstances deemed relevant in determining whether to continue to hold the security. Holding such securities that have been downgraded below investment grade can subject the Fund to additional risk.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective Shareholders should read the Prospectus and this Supplement in their entirety and consult with their own legal, tax and financial adviser before deciding to invest in the Fund.