

This Supplement is issued by Marshall Wace Funds plc (the "Company") and is solely for use in connection with a proposed subscription for Shares in MW Global Financials Market Neutral Fund (the "Fund"), a sub-fund of the Company.

This Supplement forms part of and should be read in conjunction with the prospectus for the Company dated 15 December 2015 (the "Prospectus"), and sets out the terms and conditions applicable to the Shares in the Fund.

SUPPLEMENT FOR MW GLOBAL FINANCIALS MARKET NEUTRAL FUND

A SUB-FUND OF

MARSHALL WACE FUNDS PLC

(an umbrella type investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank)

MARSHALL WACE ASIA LIMITED

(INVESTMENT MANAGER)

Shares in the Fund are offered solely on the basis of the information and representations contained in this Supplement and the Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Company. Neither the delivery of this document nor the issue of Shares in the Fund shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

15 December 2015

DIRECTORY

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INTRODUCTION

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

Restrictions on Distribution

This Supplement may only be distributed together with the Prospectus. The Restrictions on Distribution detailed in the Prospectus apply to the distribution of this Supplement as well as to the distribution of the Prospectus.

Notwithstanding anything to the contrary herein, the recipient of this Supplement (and each employee, representative, or other agent of that person) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Company, the Master Fund, the Funds or the Sub-Trusts and (ii) their transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of the Company, the Master Fund, any Fund, any Sub-Trust or any parties to a transaction.

This Supplement does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

Certain Risk Factors

Investment in the Fund carries substantial risk. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources (see further under "Certain Risk Factors" in the Prospectus and in this Supplement).

If you are in any doubt about the contents of this document you should consult your financial adviser, accountant or other professional adviser.

Taxation

Prospective investors should consult their own tax advisers as to the implications of acquiring, holding or disposing of Shares of the Fund. A discussion of certain US tax considerations is contained within the client information form to be completed by applicants applying for Shares of the Fund.

Interpretation

Terms defined in the Prospectus will bear the same meanings in this document except where the context otherwise requires.

In the event of any inconsistency between the Prospectus and this Supplement, the terms of this Supplement will prevail.

1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The overall investment objective of the Fund is to provide investors with above average absolute returns primarily through investing and trading in the equities and equity-related instruments of Global Financial Companies (as defined below). Portfolio volatility will be managed through the use of various hedging and risk management techniques.

There can be no assurance that the Fund will achieve its investment objective.

Investment Policy

The Fund will invest all of its investible assets in the Global Financials Market Neutral Fund (the "Sub-Trust"), a sub-trust of the Master Fund, details of which are set out in Appendix I to the Prospectus.

The Investment Manager considers that "Global Financial Companies" (defined for these purposes as any bank, broker, insurance company, exchange or real estate company and such other financial company (wherever incorporated or established) as the Investment Manager may determine from time to time) constitute one global asset class forming the largest, most liquid segment of global equity markets and having a significant correlation to credit, rate and market related cycles. Furthermore, the Investment Manager believes that the high volatility of the equities and equity-related instruments of Global Financial Companies is unprecedented and that, as a result, there exist substantial opportunities to capture outsized alpha through a superior understanding of relevant business models.

The net market exposure of the Sub-Trust will vary according to the Investment Manager's view of market prospects and the Investment Manager will have discretion to be net short of the markets. However, the overall net market exposure of the Sub-Trust will not normally exceed a range from 20 per cent net short to 20 per cent net long.

Where deemed appropriate, the Sub-Trust may employ leverage including, without limitation, through borrowing securities and other investments and by entering into derivatives transactions. The Gross Exposure of the Sub-Trust will not exceed 400 per cent of its Net Asset Value.

The Sub-Trust has maximum flexibility to invest in a wide range of instruments, including without limitation, listed and unlisted equities, commodity derivatives, credit default swaps, options, warrants, futures, other derivatives and debt securities (which may be rated or unrated) and other participations in debt. The Sub-Trust may also retain amounts in cash or cash equivalents (including, without limitation, via a holding in a "cash fund"), pending reinvestment, if this is considered appropriate to the objective of maximising absolute returns. Cash deposits may be made with banks other than the Prime Brokers and Sub-Custodians.

The equity exposure of the Sub-Trust will generally be confined to companies which are listed or traded on a Recognised Exchange.

Investment Approach

Investment opportunities will be identified through fundamental research into and analysis of companies where the Investment Manager believes there are significant changes to the operating environment at a company or industry level which will drive the future share price performance. In addition, the Investment Manager will employ quantitative processes utilising

fundamental and technical data in conjunction with information from the proprietary TOPS investment platform operated by Marshall Wace LLP ("MWLLP").

MWLLP acts as the "alternative investment fund manager" of the Fund and the Sub-Trust for the purposes of the AIFM Directive as disclosed in the Prospectus, and the Investment Manager are committed to the prudent management of the overall risks incurred by the Sub-Trust and the Investment Manager will seek to drive the returns of the portfolio from stock selection. This will be achieved through rigorous monitoring of the stock, sector, market and factor exposures within the portfolio and the use of remedial hedging positions, where considered appropriate, to minimise the risk of loss from a decline in factors external to the stock selection.

MWLLP is responsible for the risk management of the Fund and the Sub-Trust as disclosed in the Prospectus. On a regular basis MWLLP's risk department in consultation with the Investment Manager will analyse the risk characteristics of the security, the return objective of the investment, the assessment by the portfolio manager of the downside risk and the impact of each position on the aggregated risk of the portfolio. This analysis is used to manage the size of each investment and the future construction of the portfolio, thereby allowing the risk of the portfolio to be maintained within a target volatility range set from time to time by MWLLP in consultation with the Investment Manager.

2. CERTAIN RISK FACTORS

In addition to the general risk factors set out in the "Certain Risk Factors" section of the Prospectus, the risk factors set out below apply specifically to an investment in the Fund.

ERISA Plan Assets Status of the Sub-Trust

The Investment Manager anticipates that the assets of the Sub-Trust may, at some point or points in time, be treated as "plan assets" (within the meaning of Section 3(42) of ERISA and any regulations promulgated thereunder) of any "benefit plan investors" within the meaning of Section 3(42) of ERISA ("Benefit Plan Investors") that invest in the Sub-Trust through a feeder fund whose assets are treated as "plan assets" for purposes of ERISA. In such event, the Investment Manager will be a fiduciary with respect to such Benefit Plan Investor that invested indirectly in the Sub-Trust. In addition, in the event that the assets of the Sub-Trust are treated as "plan assets" under ERISA, ERISA may impose certain limitations on the operation of the Sub-Trust. Such limitations could result in the inability of the Sub-Trust to participate in certain investments or conduct business with certain counterparties. Accordingly, ERISA could materially restrict the activities of the Sub-Trust.

Concentration Risk

The Sub-Trust's Investments will be concentrated within the financial sector and the Sub-Trust may be subject to significant losses if there are adverse market movements within that sector.

In Specie Redemptions

The Fund will not distribute redemption proceeds in specie to any Shareholder subject to the provisions of ERISA and/or the prohibited transaction provisions of Section 4975 of the IRC, to the extent that such distribution could result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the IRC with respect to such Shareholder.

3. INVESTMENT MANAGER

Marshall Wace Asia Limited has been appointed as investment manager of the Fund and the Sub-Trust. Marshall Wace Asia Limited is a limited liability company established under the laws of Hong Kong on 28 March 2006. It is authorised and regulated by the Securities and Futures Commission of Hong Kong and registered with the United States Securities and Exchange Commission as an investment adviser under the US Investment Advisers Act of 1940, as amended.

Marshall Wace North America L.P. ("MWNA") also has certain powers and responsibilities in connection with the investments of the Sub-Trust which are detailed in the "ERISA Considerations" section below. MWNA is a limited partnership established under the laws of the state of Delaware on 21 June 2004 and acts through its general partner, Marshall Wace LLC, which was incorporated under the laws of the state of Delaware on 21 June 2004. MWNA is registered with the United States Securities and Exchange Commission as an investment adviser under the US Investment Advisers Act of 1940, as amended.

4. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Shares Available

A Euro Shares

A GBP Shares

A USD Shares

A USD Non-Voting Shares (together the "A Shares")

B Euro Shares

B GBP Shares

B USD Shares

B USD Non-Voting Shares (together the "B Shares")

C1 Euro Shares

C1 GBP Shares

C1 USD Shares (together the "C1 Shares")

C2 Euro Shares

C2 GBP Shares

C2 USD Shares (together the "C2 Shares")

C3 EUR Shares

C3 GBP Shares

C3 USD Shares (together the "C3 Shares" and together with the C1 Shares and C2 Shares, the "C Shares")

The Fund may participate in New Issues, as defined in Financial Industry Regulatory Authority, Inc. ("FINRA") Rule 5130. A Shares, C1 Shares and C2 Shares will be issued to investors who are (or who are deemed to be) Restricted Persons and/or Rule 5131 Restricted Persons as described in the Prospectus under "Subscriptions". Other investors will be issued B Shares or C3 Shares.

C Shares

C Shares may only be issued by the Fund to (i) the Investment Manager or any of its partners or employees; or partners or employees of entities that control or are controlled by the Investment Manager, (ii) any person connected with any such person (including, without limitation, a trustee of a trust established by or for such a person), (iii) any company, partnership or other person or entity that controls or is controlled by any such persons, (iv) any nominee of any of the foregoing, (v) the Directors or (vi) an investor approved by the Investment Manager. The Directors shall determine, in their sole discretion, a person's eligibility to subscribe for C Shares. C Shares differ from the other Shares in that lower or no fees may be payable by the Fund to the Investment Manager in respect of the assets attributable to C Shares.

Non-Voting Shares

The A USD Non-Voting Shares and B USD Non-Voting Shares ("Non-Voting Shares") do not carry voting rights. The Non-Voting Shares carry no right to notice of, attend or vote at general meetings of the Company or the Fund. Any Shareholder of Non-Voting Shares shall have the right to switch their holding to Shares which do carry such a right to notice of, attend or vote at such meetings, without incurring any fee or charge on such exchange.

Initial Issue Price

€100 per Share for Euro Shares, £100 per Share for Sterling Shares or \$100 per Share for US\$ Shares, as the case may be, with respect to Shares of a Class for which no Shares have yet been issued.

Base Currency

USD

Initial Offer Period

For Shares of a Class which have not yet been issued, the Initial Offer Period runs from 9:00a.m. (Irish time) on 24 December 2011 to 5:00p.m. (Irish time) on 31 December 2011 or, if later, the date within 6 months of the date of this Supplement on which the first application form for the such Class is received or such other dates and/or times as the Directors may from time to time determine and notify to the Central Bank.

Business Day

Any day on which commercial banks are open for business in London and Dublin, or such other day or days as the Directors may, with the consent of the Depositary, determine.

Dealing Day

The Dealing Days for the Fund will be the first Business Day of each month and/or such other Business Days' as the Directors may determine and notify in advance to Shareholders, provided there shall be at least one Dealing Day per calendar quarter.

After the relevant Initial Offer Period (if applicable), each Class will be continuously open for subscriptions at each Dealing Day.

Dealing Deadline

In relation to applications for subscription of Shares, 5:00 p.m. (Irish time) two Business Days prior to the relevant Dealing Day although the Directors may agree to waive the notice period at their discretion provided such applications are received before the Valuation Point for the relevant Dealing Day.

In relation to applications for redemption of Shares, 2:00 p.m. (Irish time) thirty (30) calendar days prior to the relevant Dealing Day (or in the event that such day is not a Business Day, the previous Business Day) although the Directors may agree to waive the notice period at their discretion provided such applications are received before the Valuation Point for the relevant Dealing Day.

Valuation Point

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors (and notified in advance to Shareholders) with the approval of the Depositary, shall be 11.59 p.m. (Irish time) on the Business Day immediately preceding each Dealing Day and/or such other points in time as the Directors may determine and notify in advance to Shareholders.

Minimum Initial Investment Amount

EUR100,000 or its equivalent in the relevant currency or such greater or lesser amounts as the Directors may, in their sole discretion, decide provided the minimum initial investment amount in the Company as a whole is not less than EUR100,000.

Minimum Additional Investment Amount

None.

Minimum Holding

None.

Subscription Settlement Date

The Subscription Settlement Date shall be the Dealing Deadline with respect to subscriptions.

Redemption Settlement Date

The Redemption Settlement Date shall be ten Business Days following the relevant Dealing Day.

Fees

Investment Management Fee

A Shares

The Investment Manager is entitled to receive from the Fund a monthly Investment Management Fee equal to 1/12 of 2 per cent (or a *pro rata* proportion thereof) of the Net Asset Value of the Fund payable *pro rata* out of the assets attributable to the A Shares (before deduction of that month's Investment Management Fee and before deduction of any accrued Performance Fees) as at each Valuation Point.

B Shares

The Investment Manager is entitled to receive from the Fund a monthly Investment Management Fee equal to 1/12 of 2 per cent (or a *pro-rata* proportion thereof) of the Net Asset Value of the Fund payable *pro-rata* out of the assets attributable to the B Shares (before deduction of that

month's Investment Management Fee and before deduction of any accrued Performance Fees) as at each Valuation Point.

C Shares

The Investment Manager is also entitled to receive from the Fund a monthly Investment Management Fee of $\frac{1}{12}$ of 0.6 per cent (or a *pro rata* proportion thereof) of the Net Asset Value of the Fund payable *pro rata* out of the assets attributable to the C1 Shares and the C3 Shares (before deduction of that month's Investment Management Fee and before making any deductions for any accrued Performance Fees) as at each Valuation Point. No investment management fee shall be payable by the Fund to the Investment Manager in respect of the assets attributable to C2 Shares.

The Investment Management Fee will be calculated as at each Valuation Point and shall become due and payable *pro rata* out of the assets attributable to each Class of Shares upon the final determination by the Administrator of the Net Asset Value as at the relevant Valuation Point, such determination not to be later than 14 calendar days following the relevant Valuation Point.

Performance Fee

The Investment Manager is also entitled to receive a Performance Fee from the Fund calculated on a share-by-share basis so that each Share is charged a Performance Fee which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

The Performance Fee in respect of each Share will be calculated in respect of each period of twelve months ending on 30 September in each year (a "Calculation Period"). The first Calculation Period for each Class will commence on the Business Day immediately following the close of the Initial Offer Period for such Class and will end on the next following 30 September. The Performance Fee will be deemed to accrue on a monthly basis as at each Valuation Point.

For each Calculation Period, the Performance Fee in respect of (i) each A Share and each B Share will be equal to 20 per cent of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the Base Net Asset Value per Share (as defined below) of the relevant Class; and (ii) each C1 Share and each C3 Share will be equal to 10 per cent of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the Base Net Asset Value per Share of that Class. No performance fee will be payable in respect of the C2 Shares. The Base Net Asset Value per Share is the greater of the Net Asset Value per Share of the relevant Class at the time of issue of that Share and the highest Net Asset Value per Share of that Class achieved as at the end of any previous Calculation Period (if any) during which such Share was in issue. Shares which are acquired through transfer will be treated as if they were issued on the date of acquisition at the relevant Subscription Price for these purposes. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

The Performance Fee shall become due and payable upon the final determination by the Administrator of the Net Asset Value per Share as at the end of the relevant Calculation Period, such determination not to be later than 14 calendar days following the end of the relevant

Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will become due and payable upon the final determination by the Administrator of the Net Asset Value per Share as at the date of such redemption, such determination not to be later than 14 calendar days following the date of redemption. Unless specifically requested otherwise by the Shareholder, in the event of a partial redemption, Shares will be treated as redeemed on a first in, first out basis.

The Investment Manager may from time to time and in its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents including the Directors) or to intermediaries, part or all of the Investment Management Fee and/or Performance Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

Where prior to the date of this Supplement a Shareholder has redeemed shares from a fund managed by the Investment Manager which operates a similar strategy to the Fund (the "Original Shares"), which, on the date of redemption, were carrying forward a loss (as reasonably determined by the Investment Manager), and has subscribed for equivalent shares in the Fund, such Shareholder shall not be charged a performance fee until such time that the loss that was carried forward on the Original Holding has been eliminated.

If the Investment Management Agreement is terminated before 30 September in any year the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

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

Adjustments

If an investor subscribes for Shares at a time when the Net Asset Value per Share of that Class is other than the Peak Net Asset Value per Share (as defined below) of the relevant Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager. The "Peak Net Asset Value per Share" is the greater of (i) €100 for Euro Shares, £100 for Sterling Shares or US\$100 for US\$ Shares, and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after 30 September in any year (being the end of a Calculation Period) in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged. For these purposes Shares acquired by transfer will be treated as if they were redeemed (by the transferor) and subscribed for (by the transferee) on the date of the transfer at the relevant Subscription Price.

- (A) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming such number of the investor's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to (i) 20 per cent (in the case of A Shares or B Shares) or (ii) 10 per cent (in the case of C1 Shares or C3 Shares) of any such appreciation (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each

Class. As regards the investor's remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

- (B) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to (i) 20 per cent (in the case of A Shares or B Shares) or (ii) 10 per cent (in the case of C1 Shares and C3 Shares) of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an "Equalisation Credit"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Point in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to (i) 20 per cent (in the case of A Shares or B Shares) or (ii) 10 per cent (in the case of C1 Shares and C3 Shares) of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Point. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to (i) 20 per cent (in the case of A Shares or B Shares) or (ii) 10 per cent (in the case of C1 Shares or C3 Shares) of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems its Shares of that Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

5. VALUATION

The Administrator is responsible for calculating the Net Asset Value of the Sub-Trust for each Dealing Day. The Manager has appointed the Administrator as external valuer to value the Designated Assets of the Sub-Trust.

6 TRADE ERROR

Notwithstanding any other provision in the Prospectus, no trade error losses will be borne by the Fund or the Sub-Trust.

7 MISCELLANEOUS

Since the Fund's establishment no dividends have been paid.

A list of the other sub-funds of the Company is available upon request.

The Shares will not be admitted to the Official List of the Irish Stock Exchange.

8. ERISA CONSIDERATIONS

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON US TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE US INTERNAL REVENUE SERVICE: (1) ANY US FEDERAL TAX ADVICE CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING US FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE FOLLOWING SUMMARY OF CERTAIN ASPECTS OF ERISA IS BASED UPON ERISA, JUDICIAL DECISIONS, DEPARTMENT OF LABOR REGULATIONS AND RULINGS IN EXISTENCE ON THE DATE HEREOF. THIS SUMMARY IS GENERAL IN NATURE AND DOES NOT ADDRESS EVERY ERISA ISSUE THAT MAY BE APPLICABLE TO THE SUB-TRUST AND/OR THE FUND OR A PARTICULAR INVESTOR. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN COUNSEL IN ORDER TO UNDERSTAND THE ERISA ISSUES AFFECTING THE FUND, THE SUB-TRUST AND THE INVESTOR.

General

Persons who are fiduciaries with respect to a US employee benefit plan or trust within the meaning of and subject to the provisions of ERISA or an entity that is deemed to hold the assets of such a US employee benefit plan or trust (an "ERISA Plan"), an individual retirement account or a Keogh plan subject solely to the provisions of the IRC¹ (an "Individual Retirement Fund") should consider, among other things, the matters described below before determining whether to invest in the Fund (and thus the Sub-Trust).

¹ References hereinafter made to ERISA include parallel references to the IRC.

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, US Department of Labor ("DOL") regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of Shareholders to redeem all or any part of their Shares or to transfer their Shares. Before investing the assets of an ERISA Plan in the Fund (and thus the Sub-Trust), a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Fund (and thus the Sub-Trust) may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

Plan Assets Defined

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which Benefit Plan Investors invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the prohibited transaction provisions of Section 4975 of the IRC, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an "equity interest" in an entity that is neither: (a) a "publicly offered security;" nor (b) a security issued by an investment fund registered under the United States Investment Company Act of 1940, as amended, then the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an "operating company;" or (ii) the equity participation in the entity by Benefit Plan Investors is limited.

Under ERISA, the assets of an entity will not be treated as "plan assets" if Benefit Plan Investors hold less than 25% (or such higher percentage as may be specified in regulations promulgated by the DOL) of the value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA. The Benefit Plan Investor percentage of ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the

redemption. Under the DOL regulations, because the assets and liabilities of each of the Company's sub-funds including the Fund are segregated from the assets and liabilities of each other sub-fund, the entity to be tested is each sub-fund and the fact that Benefit Plan Investors may own 25% or more of the class of Shares representing a particular sub-fund of the Company does not cause the assets of any other of the Company's sub-funds to be treated as "plan assets" for purposes of ERISA.

Plan Asset Consequences

The Investment Manager anticipates that the aggregate investment in the Fund by Benefit Plan Investors will equal or exceed 25% (or such greater percentage as may be provided in regulations promulgated by the DOL) of the Net Asset Value of any class of Shares of the Fund. Accordingly, in such circumstances the assets of the Fund would be treated as "plan assets" for purposes of ERISA. Shares held by the Investment Manager and its affiliates are not considered for purposes of determining the level of equity participation by Benefit Plan Investors in the Fund. As a general rule, if the assets of the Fund will be treated as "plan assets" of a Benefit Plan Investor, the Investment Manager would be deemed a "fiduciary" (as defined in ERISA and the IRC) with respect to each ERISA Plan and Individual Retirement Fund investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager implements the direction of the investors in the Fund as set forth in this Supplement to invest the assets of the Fund in the Sub-Trust, neither the Investment Manager nor any other entity providing services to the Fund is exercising any discretionary authority or control with respect to the investment of the assets of the Fund in the Sub-Trust. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund acts as a fiduciary (as defined in Section 3(21) of ERISA) with respect to the assets of the Fund or any ERISA Plan or Individual Retirement Fund investor in connection with the investment of the assets of the Fund in the Sub-Trust. Further, by investing in the Fund, each of the Shareholders of the Fund that is a Benefit Plan Investor will represent and warrant that it does not intend its investment in the Fund to establish any relation which would cause the Investment Manager or any other person to be a "fiduciary" as defined in ERISA with respect to such Benefit Plan Investor in connection with the investment by the Fund in the Sub-Trust and each such Benefit Plan Investor will further represent and warrant that it will not take any position to the contrary.

The Investment Manager anticipates that, from time to time, the aggregate investment in the Sub-Trust by Benefit Plan Investors may equal or exceed 25% (or such greater percentage as may be provided in regulations promulgated by the DOL) of the Net Asset Value of any class of Units of the Sub-Trust. In such circumstances, the assets of the Sub-Trust would be treated as "plan assets" for purposes of ERISA, and the Investment Manager would be deemed a "fiduciary" (as defined in ERISA and the IRC) with respect to each ERISA Plan and Individual Retirement Fund indirectly investing in the Sub-Trust through the Fund. In addition, if the assets of the Sub-Trust were treated as "plan assets," for purposes of ERISA, the Investment Manager would be subject to the general prudence and fiduciary responsibility provisions of ERISA with respect to each ERISA Plan and Individual Retirement Fund indirectly investing in the Sub-Trust through the Fund. In such circumstances, an indirect investment in the Sub-Trust by an ERISA Plan through the Fund would constitute the appointment, in accordance with the written instruments governing the underlying ERISA Plan, of the Investment Manager as an "investment manager" as defined in Section 3(38) of ERISA, with respect to each such investing ERISA Plan. The acceptance of the subscription constitutes acknowledgement by the Investment Manager of its status as a fiduciary with respect to such investing ERISA Plan during any such period.

If the assets of the Sub-Trust were treated as "plan assets" for purposes of ERISA, the Sub-Trust would be subject to various other requirements of ERISA and the IRC. In particular, the Sub-

Trust would be subject to rules restricting transactions with "parties in interest" and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the IRC unless the transaction was subject to a statutory or administrative exemption that would allow the Sub-Trust to conduct its operations as described herein. In this regard, the Investment Manager anticipates that where an exemption is necessary to enable the Sub-Trust to enter into certain transactions with parties in interest or disqualified persons, the Investment Manager may rely on the following statutory, individual or class exemptions issued by the DOL:

(a) Section 408(b)(17) of ERISA (and Section 4975(d)(20) of the IRC). Section 408(b)(17) of ERISA (and Section 4975(d)(20) of the IRC) permits the Sub-Trust to engage in transactions with various service providers to the Benefit Plan Investors as long as the conditions set forth in Section 408(b)(17) (and Section 4975(d)(20) of the IRC) are satisfied.

(b) Qualified Professional Asset Manager Exemption. Prohibited Transaction Class Exemption 84-14 generally permits ERISA Plans and Individual Retirement Funds to enter into transactions with parties in interest and disqualified persons if such transactions are entered into on behalf of such Plans by a "Qualified Professional Asset Manager" ("QPAM"). The Investment Manager currently qualifies as a QPAM and during all periods in which the assets of the Sub-Trust are treated as "plan assets" under ERISA, the Investment Manager may rely on PTE 84-14 with regard to transactions covered thereunder.

(c) Individual Exemptions. During all periods in which the assets of the Sub-Trust are treated as "plan assets" under ERISA, the Investment Manager may apply to the DOL for an individual exemption to permit the Sub-Trust to enter into transactions for which no class or statutory exemption is available, if it believes that the transaction is in the best interest of the Sub-Trust, or may so apply if any transaction entered into by the Sub-Trust is deemed by the DOL or the Internal Revenue Service to violate the prohibited transaction provisions to ERISA or the IRC.

In the event that any transaction would or might constitute a prohibited transaction under ERISA or the IRC and a statutory, class or individual exemption from the prohibited transaction provisions of ERISA for such transaction does not apply or cannot be obtained from the DOL (or the Investment Manager determines not to seek such an exemption), the Board of Directors is authorized to compel full or partial redemption of a Shareholder's Shares.

If a prohibited transaction occurs for which no exemption is available, the Investment Manager and any other party in interest that has engaged in the prohibited transaction could be required (i) to restore to the Individual Retirement Fund or ERISA Plan any profit realized on the transaction and (ii) to reimburse the Individual Retirement Fund or ERISA Plan for any losses suffered by the Individual Retirement Fund or ERISA Plan as a result of the investment. Each party in interest involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. Individual Retirement Fund and ERISA Plan fiduciaries that decide to invest in the Fund (and thus the Sub-Trust) could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Fund (and thus the Sub-Trust) or as co-fiduciaries for actions taken by or on behalf of the Sub-Trust.

In the event that the assets of the Sub-Trust are treated as "plan assets" for purposes of ERISA or Section 4975 of the IRC, of an investing Benefit Plan Investor, the Investment Manager will comply with the indicia of ownership rules set forth in ERISA during any period in which the assets of the Sub-Trust are treated as "plan assets" under ERISA or Section 4975 of the IRC. During such periods, MWNA has the right and obligation to review the prudence and advisability

of each of the Sub-Trust's trades and MWNA can "back out" or "reverse" the trade. In addition, MWNA has the right and obligation to make a general review of the Sub-Trust's portfolio on a monthly basis, and to direct the sale of securities if an investment is considered inadvisable. The indirect investment in the Sub-Trust by an ERISA Plan through the Fund would constitute the appointment, in accordance with the written instruments governing the underlying ERISA Plan, of MWNA as an "investment manager" as defined in Section 3(38) of ERISA, with respect to each such ERISA Plan for these limited purposes. The acceptance of the subscription constitutes acknowledgement by MWNA of its status as a fiduciary with respect to such ERISA Plan during any such period for these limited purposes.

MWNA currently qualifies as a QPAM and during all periods in which the assets of the Sub-Trust are treated as "plan assets" under ERISA, MWNA may rely on PTE 84-14 with respect to its right and obligation to review the prudence and advisability of each of the Sub-Trust's trades and its right to "back out" or "reverse" any trade and to direct the sale of securities if it considers an investment is inadvisable.

Section 408(a)(5) of the IRC, provides that the assets of an individual retirement account ("IRA") may not be commingled with other property except in a common trust or investment fund. A prohibited commingling of the assets of an IRA in other than a common trust fund or common investment fund could result in the disqualification of the IRA and a deemed distribution of the IRA's assets to the beneficiary of the IRA.

Although neither the Fund nor the Sub-Trust is a common trust fund or common investment fund, for the reasons discussed below, the Fund and the Sub-Trust have been advised by US counsel that, if the assets of the Fund or the Sub-Trust were treated as "plan assets" for purposes of ERISA, an investment in the Fund (and thus the Sub-Trust) by an IRA should not be deemed to involve a prohibited commingling of IRA assets. While the assets of the Fund and the Sub-Trust, under certain circumstances discussed above, may be treated as "plan assets," that term applies solely for purposes of Title I of ERISA and Section 4975 of the IRC, but not to Section 408(a)(5) of the IRC. Accordingly, although there is no direct authority on this matter, for purposes of the prohibition against the commingling of IRA assets, no such commingling should occur because the sole interest of an investing IRA would be its Shares, and not the assets of the Fund.

If the assets of either the Fund or the Sub-Trust are treated as "plan assets" under ERISA, the Investment Manager will purchase a fidelity bond satisfying the requirements of Section 412 of ERISA with respect to the assets of the Fund or the Sub-Trust, as applicable, owned by ERISA Plans.

Representations by Plans

An ERISA Plan proposing to invest in the Fund (and thus the Sub-Trust) will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan's investments are, aware of and understand the Fund's and the Sub-Trust's investment objectives, policies and strategies, and that the decision to invest plan assets in the Fund (and thus the Sub-Trust) was made with appropriate consideration of relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

WHETHER OR NOT THE ASSETS OF THE FUND OR THE SUB-TRUST ARE TREATED AS "PLAN ASSETS" UNDER ERISA, AN INVESTMENT IN THE FUND (AND THUS THE SUB-TRUST) BY AN ERISA PLAN IS SUBJECT TO ERISA. ACCORDINGLY, FIDUCIARIES OF ERISA PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE

CONSEQUENCES UNDER ERISA OF AN INVESTMENT IN THE FUND (AND THUS THE SUB-TRUST).

ERISA Plans and Individual Retirement Funds Having Prior Relationships with the Investment Manager or any of its Affiliates

Certain prospective ERISA Plan and Individual Retirement Fund investors may currently maintain relationships with the Investment Manager or other entities that are affiliated with the Investment Manager. Each of such entities may be deemed to be a party in interest to and/or a fiduciary of any ERISA Plan or Individual Retirement Fund to which any of the Investment Manager or its affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the IRC with respect to Individual Retirement Funds. ERISA Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in the Fund (and thus the Sub-Trust) is a transaction that is prohibited by ERISA or the IRC.

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisors regarding the consequences under ERISA of the acquisition and ownership of Shares.

The disclosures set forth in this Supplement and the Prospectus constitute the Investment Manager's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and allow for the treatment of our compensation as eligible indirect compensation. In addition, with respect to the Sub-Trust, the disclosures set forth in this Supplement and the Prospectus, in conjunction with Form ADV and the audited financial statements of the Fund and the Sub-Trust, constitute the Investment Manager's good faith efforts to comply with the disclosure requirements under Section 408(b)(2) of ERISA and the regulations promulgated thereunder, if applicable.