

FundLogic Alternatives plc

MS ALKEON UCITS FUND

SIMPLIFIED PROSPECTUS

24 August 2011

This Simplified Prospectus contains key information in relation to the MS Alkeon UCITS Fund (the “Sub-Fund”), a sub-fund of FundLogic Alternatives plc (the Company). The Company was incorporated on 28 April 2010 and is an umbrella open-ended investment company authorised by the Central Bank of Ireland (the “Central Bank”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (Statutory Instrument No. 211 of 2003) as amended, supplemented, consolidated or otherwise modified from time to time (the “Regulations”). The Company currently has eleven funds, the Sub-Fund, MS PSAM Global Event UCITS Fund, Salar Convertible Absolute Return Fund, Indus Select Asia Pacific Fund, Emerging Markets Equity Fund, MS Algebris Global Financials UCITS Fund, Indus PacificChoice Asia Fund, MS SOAM U.S. Financial Services UCITS Fund, MS Ascend UCITS Fund, MS Cohen & Steers Global Real Estate L/S Fund and MS Perella Weinberg Partners Tökum Long/Short Healthcare UCITS Fund.

Potential investors are advised to read the Prospectus of the Company dated 27 July 2010 and the Supplement dated 24 August 2011 (together the Prospectus) before making an investment decision on whether or not to invest in the Sub-Fund. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Prospectus. If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or an independent financial advisor. Words and terms defined in the Prospectus have the same meaning in this Simplified Prospectus, unless the context otherwise requires.

Capitalised terms used herein (but not defined herein) have the meanings attributed to them in the Prospectus.

The base currency of the Sub-Fund is US Dollar.

Investment Objective:	The Sub-Fund’s investment objective is to provide Shareholders with a return linked to the performance of a reference portfolio (the “ Reference Portfolio ”).
Investment Policy:	<p>The Sub-Fund is exposed to the economic performance of the Reference Portfolio through a total return swap (the “Portfolio Total Return Swap”). The Reference Portfolio is comprised primarily of equity securities of U.S. and non-U.S. companies that the Investment Manager believes are well positioned to benefit from demand for their products or services and may also be comprised of short positions in such securities and the other instruments set out below.</p> <p>The Portfolio Total Return Swap will give the Sub-Fund economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. This will be provided by the Approved Counterparty. In order to obtain the floating rate of return, the Sub-Fund expects to purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty under a total return swap (the “Funding Swap”) in exchange for such return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above. The performance of the Sub-Fund will primarily be determined by the performance of the Reference Portfolio.</p> <p>The Reference Portfolio is a notional portfolio representative of a dynamically managed portfolio of investments primarily consisting of long and short equity</p>

	<p>positions which will be made by the Investment Manager in implementing its absolute return strategy (the “Alkeon Investment Strategy”).</p> <p>Absolute return strategies aim to produce positive returns on capital regardless of the direction of financial markets. This is the goal of the Reference Portfolio. However, there is no guarantee that the Reference Portfolio will meet this goal.</p> <p>Alkeon Investment Strategy</p> <p>The Alkeon Investment Strategy is proprietary to the Investment Manager. The objective of the Alkeon Investment Strategy is to achieve maximum capital appreciation by investing primarily in long and short positions of publicly-traded (ie, on Recognised Markets) companies globally, including technology stocks.</p> <p>The strategy involves investing (ie taking long positions) primarily in equity securities of U.S. and non-U.S. companies that the Investment Manager believes are well positioned to benefit from demand for their products or services, including companies that can innovate or grow rapidly relative to their peers in their markets. "Growth Companies" are generally considered to possess these characteristics. The strategy also involves taking short positions in securities when the Investment Manager believes that the market price of a security is above its estimated intrinsic or fundamental value. In seeking short investment opportunities, the Investment Manager may look for companies with, among other things, weak balance sheets, deteriorating fundamentals, poor or negative free cash flow generation and commoditized product lines. Short exposure will typically range from 20% to 80% of total portfolio exposure.</p> <p>For both long and short investment exposures the Investment Manager may buy or sell short an equity security directly, or may gain such exposure through the use of FDI (e.g., total return swaps).</p> <p>In making investment decisions for the strategy, the Investment Manager uses fundamental investment analysis and research to identify attractive investment opportunities. The strategy's investment process involves a research driven, bottom-up analysis of a security's potential for appreciation or depreciation, and includes consideration of the financial condition, earnings outlook, strategy, management and industry position of issuers. This analytical process involves the use of valuation models, review and analysis of published research, and, in some cases, discussions with industry experts and company visits. The Investment Manager also takes into account economic and market conditions. One of the strategy's primary goals is to invest in companies with improving fundamentals, operating in markets with high barriers to entry, strong franchises and superior competitive positions, and to take short positions in lower-quality, lower-tier companies with deteriorating fundamentals and operating in markets with low barriers to entry.</p> <p>For purposes of the Reference Portfolio, "equity securities" means common and preferred stocks (including IPO securities), convertible securities, stock options (call and put options) and warrants in relation to such securities. Historically, the Investment Manager has found significant opportunities for maximum capital appreciation in the equity securities of Technology Companies. Conversely, the Investment Manager has also found opportunities for maximum capital appreciation in short positions in equity securities of companies that are, or may be expected to be, disadvantaged by technological events, advances or products. As a result, these companies, together with Technology Companies, are expected to comprise a significant portion of the Reference Portfolio. The Reference Portfolio may also include investments in the equity securities of companies in a variety of other industries and sectors, including, without limitation, consumer, industrial, retail, financial, healthcare and materials.</p>
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	<p><i>Underlying Instruments of the Reference Portfolio</i></p> <p>In addition to direct investment in equity securities, the Alkeon Investment Strategy will also gain exposure to such securities through the use of financial derivative instruments ("FDIs") in relation to such securities.</p> <p>The Reference Portfolio may include (for investment or efficient portfolio management purposes) convertible securities, stock options and warrants. The strategy also may invest in debt securities, swaps, swaptions, and other derivative instruments, such as forward contracts and options on equity indices, and structured equity-linked products, including, without limitation, exchange traded notes, convertible bonds and exchange traded funds.</p> <p>Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.</p> <p>As part of the Alkeon Investment Strategy, call and put options and warrants in respect of specific securities may be purchased and sold for hedging purposes and investment purposes.</p> <p>Debt securities may be below investment grade and be either fixed or floating and government or corporate. Debt securities will be deemed to be below investment grade, if they have a rating BB+ and/or lower by Standard & Poor's, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be below investment grade by the Investment Manager. While it is not currently expected that the Reference Portfolio will have significant emerging market or below investment-grade debt exposure, there are no limits to the extent that such investments might be included in the Reference Portfolio, if deemed appropriate by the Investment Manager.</p> <p>The Reference Portfolio may utilise equity swaps for efficient cash management to minimise taxes on the purchase or sale of equities or for access to certain issuers / and jurisdictions.</p> <p>Exchange traded funds, subject to an aggregate limit of 20% of the Net Asset Value of the Sub-Fund, may be used by the Reference Portfolio in seeking maximum capital appreciation or for hedging purposes. Typically, an exchange traded fund holds a portfolio of common stocks designed to track the performance of a particular index or a "basket" of stocks of companies within a particular industry sector or group. Index futures on broad based indices may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market.</p> <p>FDI in which the Reference Portfolio may invest may be exchange-traded or OTC.</p> <p>This is a summary of the Reference Portfolio. There is no assurance that the Reference Portfolio's objective will be achieved. The strategy may use all or any of these investment techniques and instruments to pursue its investment objective or for hedging purposes.</p> <p><i>The Total Return Swaps</i></p> <p>The Sub-Fund uses two total return swaps, the Portfolio Total Return Swap and the Funding Swap (as defined below) (together, the "Swaps"). The sole Approved Counterparty in respect of the Swaps described above will be Morgan Stanley & Co International plc (the "Approved Counterparty").</p> <p>There are two strategic components to the Swaps: (1) to gain exposure to the</p>
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	<p>economic performance of the Reference Portfolio as described above; and (2) to transfer the economic interest in the “Funding Assets” (as described below) to the Approved Counterparty.</p> <p>It is not accordingly anticipated that the Sub-Fund will be exposed to the performance or risks of the Funding Assets other than in the event of a default by the Approved Counterparty under the terms of the Funding Swap.</p> <p><i>The Portfolio Total Return Swap</i></p> <p>The Portfolio Total Return Swap will give the Sub-Fund the economic exposure to the Reference Portfolio in exchange for a floating rate of return being paid by the Sub-Fund. This will be provided by the Approved Counterparty.</p> <p><i>The Funding Swap</i></p> <p>The Sub-Fund will purchase Funding Assets (as defined below) and transfer the economic interest in such Funding Assets (as defined below) to the Approved Counterparty pursuant to the Funding Swap in exchange for a floating rate of return being received by the Sub-Fund from the Approved Counterparty. This floating rate of return shall in turn be paid to the Approved Counterparty under the Portfolio Total Return Swap referred to above.</p> <p>“Funding Assets” will include equity securities (including IPO securities) and other securities with equity characteristics, including, but not limited to, preferred stocks, warrants on equities (which gives the holder the right to buy the underlying equity at a specified price and time) and depository receipts for such securities (ADRs traded in the United States markets and GDRs traded in other world markets), issued by companies worldwide and which may or may not be constituents of the Reference Portfolio. They may also include debt securities which may include, without limitation, government and corporate bonds and notes (fixed and floating interest rate) and commercial paper and may be rated either above or below “investment grade” by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager. Funding Assets also include other investment schemes having similar investment objectives and policies to the Sub-Fund and exchange traded funds, however, the Sub-Fund will not invest more than 10 per cent of its Net Asset Value in such schemes. The Investment Manager will determine which securities are included within the Funding Assets.</p> <p>Funding Assets (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, the Swaps will not be so listed or traded as they are a permitted unlisted investment.</p> <p>The Approved Counterparty will provide collateral to the Sub-Fund to ensure that the Sub-Fund's risk exposure to the Approved Counterparty does not exceed the level required by the Central Bank. The collateral will be in the form required by the Central Bank.</p> <p>The Sub-Fund may retain amounts in cash or investment grade cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers' acceptances) pending re-investment, or for use as collateral, arising from the Sub-Fund's use of FDIs if this is considered appropriate to the investment objective.</p> <p>The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements subject to the conditions and limits laid down by the Central Bank for</p>
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	<p>efficient portfolio management purposes.</p> <p>The Sub-Fund seeks to achieve its objective through the use of total return swaps. Alternatively, where the Investment Manager in its sole discretion believes it is appropriate in order to achieve the investment objective, the Sub-Fund may enter into fully funded swaps where the Sub-Fund transfers to the Approved Counterparty the net proceeds of the issuance of Shares in the Sub-Fund. The net effect of a fully funded swap will be to provide the Sub-Fund with a return equivalent to the performance of the Reference Portfolio without needing to acquire Funding Assets.</p>
Risk Profile:	<p>Investment in the Company carries with it a degree of risk including but not limited to the risks referred to in the section entitled “Risk Factors” in the Prospectus and “Risk Factors” in the Supplement. These risks may include risks associated with the absence of a prior active market, currency risk, IPO securities risk, market risk, active management risk and technology company and growth company securities risk.</p> <p>The investment risks described above are not purported to be exhaustive and potential investors should review the Prospectus in its entirety, and consult with their professional advisors, before making an application for shares in the Company.</p>
Performance Data	Not applicable at the date of this document.
Profile of a Typical Investor:	<p>Investment in the Sub-Fund is suitable for investors seeking a long-term appreciation of capital.</p> <p>Shares in the Sub-Fund will be available to both retail and institutional investors.</p>
Distribution Policy:	It is not the intention of the Directors to declare a dividend in respect of any Share Class of the Sub-Fund. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the relevant class of Shares of the Sub-Fund.
Fees and Expenses:	<p>Initial and Repurchase Fees:</p> <p>Initial Fee: With respect to Class A EUR Shares, Class A USD Shares, Class A CHF Shares and Class A GBP Shares, the Sub-Fund may on any dealing day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day.</p> <p>Repurchase Fee: No repurchase charge shall be payable in respect of the Shares.</p> <p>Exchange Fee: No exchange fee shall be payable in respect of the Shares.</p> <p>The Sub-Fund may impose an anti-dilution levy or adjustment on repurchase of Shares.</p> <p>Management Charge</p> <p>2.5% of NAV per Class A EUR Share, Class A USD Share, Class A GBP Share and Class A CHF Share (collectively the “Class A Shares”)</p> <p>1% of NAV per Class C EUR Share, Class C USD Share, Class C GBP Share and Class C CHF Share (collectively, the “Class C Shares”)</p>

	<p>2% of NAV per Class I EUR Share, Class I USD Share, Class I GBP Share and Class I CHF Share (collectively, the “Class I Shares”)</p> <p>No management fee is payable in respect of the Class E USD Shares.</p> <p>Performance Fee</p> <p>In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the “Performance Fee”) is payable to the Investment Manager, of 20% in respect of the Class A Shares, the Class C Shares and the Class I Shares of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a “Calculation Period”. No Performance Fee is payable in respect of the Class E USD Shares.</p> <p>For the first Calculation Period which shall be from the close of the relevant initial offer period to 31 December 2011, the “High Water Mark Net Asset Value” means the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class.</p> <p>During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period in an amount equal to the percentage which such subscriptions or redemptions represent of the Net Asset Value of the Class on the relevant Dealing Day (ie, if a subscription is received which is equal to 10% of the Net Asset Value, then the High Water Mark Net Asset Value will be increased by 10% or if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%).</p> <p>For each subsequent Calculation Period for a Share Class the “High Water Mark Net Asset Value” means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.</p> <p>The Performance Fee shall be equal to 20% for the Class A Shares, the Class C Shares and the Class I Shares of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period. No Performance Fee is payable in respect of the Class E Shares.</p> <p>For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.</p> <p>No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the High Water Mark Net Asset Value.</p>
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	<p>It should be noted that as the Net Asset Value may differ between Classes, separate Performance Fee calculations will be carried out for separate Classes within the Sub-Fund which may therefore become subject to different amounts of Performance Fee.</p> <p>Risk Management, Administrator's and Custodian's Fee</p> <p>The Company will pay the Promoter, out of the assets of the Sub-Fund, a fee, which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.</p> <p>The Promoter will, inter alia, pay the fees and expenses of the Administrator and Custodian in full out of this fee and will be entitled to retain any excess after payment of such fees for risk management services provider by the Promoter.</p> <p>Notwithstanding the above, any transaction charges, reasonable fees and customary agents' charges due to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon, shall be paid out of the assets of the Sub-Fund or, if paid by the Custodian, shall be reimbursed to the Custodian out of the assets of the Sub-Fund.</p>										
Taxation:	<p>The Company is an investment undertaking within the meaning of Section 739B of the Irish Taxes Consolidation Act 1997 and is not chargeable to Irish tax on its relevant income or relevant gains, subject to the exceptions as set out in the section entitled "Taxation" in the Prospectus. No Irish stamp duty is payable on the issue, redemption or transfer of shares in the company.</p> <p>Shareholders and potential investors should consult with their professional advisers in relation to the tax treatment of their holdings in the Company.</p>										
Publication of Share Price:	<p>The latest Net Asset Value per Share will be available on Bloomberg and will be kept up to date.</p>										
How to Buy/ Sell Units/Shares:	<p>Investors may, subject to the provisions of the Prospectus, subscribe for Shares, redeem, exchange or transfer shares on any Dealing Day directly through:</p> <p>Northern Trust International Fund Administration Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland</p> <p>Tel + 353 1 542 2000 Fax + 353 1 542 2920</p> <p>The minimum initial subscription, minimum subsequent subscription, minimum repurchase amount and minimum holding amount for Shares in the Sub-Fund is as set out in the Prospectus.</p>										
Additional Important Information:	<table> <tr> <td>Custodian:</td><td>Northern Trust Fiduciary Services (Ireland) Limited</td></tr> <tr> <td>Administrator:</td><td>Northern Trust International Fund Administration Services (Ireland) Limited</td></tr> <tr> <td>Investment Manager:</td><td>Alkeon Capital Management, LLC.</td></tr> <tr> <td>Promoter:</td><td>Morgan Stanley & Co International plc</td></tr> <tr> <td>Risk Manager:</td><td>Morgan Stanley & Co International plc</td></tr> </table>	Custodian:	Northern Trust Fiduciary Services (Ireland) Limited	Administrator:	Northern Trust International Fund Administration Services (Ireland) Limited	Investment Manager:	Alkeon Capital Management, LLC.	Promoter:	Morgan Stanley & Co International plc	Risk Manager:	Morgan Stanley & Co International plc
Custodian:	Northern Trust Fiduciary Services (Ireland) Limited										
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Investment Manager:	Alkeon Capital Management, LLC.										
Promoter:	Morgan Stanley & Co International plc										
Risk Manager:	Morgan Stanley & Co International plc										

	<p>Distributor: Morgan Stanley & Co International plc</p> <p>Auditor: Ernst & Young</p> <p>Additional information and copies of the latest annual and half yearly reports may be obtained (free of charge) from the Administrator and the Prospectus and the memorandum and articles of association of the Company may be inspected at the below address:</p> <p>Northern Trust International Fund Administration Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland</p> <p>Tel + 353 1 542 2000 Fax + 353 1 542 2920</p> <p>Hours of business: 9 am to 5 pm Monday – Friday.</p>
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