FundLogic Alternatives p.l.c.

Promoter and Distributor
Morgan Stanley & Co International plc

Supplement dated 18 February 2014
for
MS SLJ Macro UCITS Fund

This Supplement contains specific information in relation to the **MS SLJ Macro UCITS Fund** (the "**Sub-Fund"**), a sub-fund of **FundLogic Alternatives plc** (the "**Fund"**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland (the "**Central Bank**") pursuant to the Regulations. The Sub-Fund is managed by SLJ Macro Partners LLP ("**SLJ**" or the "**Investment Manager**").

This Supplement forms part of and should be read in conjunction with the Prospectus for the Fund dated 18 February 2014 (the "Prospectus").

The Fund may invest principally in financial derivative instruments.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. In the event of any conflict between the Prospectus and this Supplement, this Supplement shall prevail.

TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The Sub-Fund's investment objective is to seek to achieve absolute returns, which are expected to be lowly correlated to traditional asset class (i.e., equities and bonds) returns, whilst limiting the potential for capital losses. The Sub-Fund will pursue a global macro strategy with a focus on foreign exchange markets.

Investment Policy

The Sub-Fund aims to achieve its investment objective by investing primarily in global currencies in the markets (listed in Appendix II to the Prospectus), through the use of financial derivative instruments ("**FDI**") as set out below.

The Sub-Fund may occasionally invest in broad based equity indices, bonds and commodities (via broad based commodity indices that have been approved by the Central Bank from time to time) in order to diversify portfolio returns against risks that might arise at times of heightened global economic and policy uncertainty. However, currency investments are generally expected to represent between 70% and 100% of the portfolio. The Sub-Fund may also invest in ancillary liquid assets as set out below.

It is expected that the volatility of the Sub-Fund will be relatively low. As such, the average volatility that the Sub-Fund will be targeting per annum is between 8% to 10% per annum.

Investment Process

Idea generation combines a top-down discretionary investment process and a systematic framework in order to capitalise on the changing nature of the business cycles and the large scale structural trends in the world. Strategies of this nature are typically referred to as global macro strategies.

The discretionary component of the idea generation process starts with the identification of major macroeconomic trends and tensions between developed and emerging markets. After identifying the evolving economic fundamentals, market positioning, trends and policy interventions, the Investment Manager will seek to identify those trades in the currency markets which are most likely to capture these macro themes.

At the heart of the Investment Manager's investment process is a top-down analysis of:

- global economic trends;
- market dynamics (i.e., interactions between bonds, equities, commodities and currencies); and
- macroeconomic policies.

The Investment Manager expects to concentrate on directional opportunities, i.e., identifying the investment opportunities as the global economic environment changes over time, rather than on 'cross-sectional' opportunities, i.e., identifying the investment opportunities within asset classes at any one point in time. The Investment Manager will primarily focus on trading currencies, and these are inherently relative value trades at the country or regional level. A relative value trade is a trade where the value of the asset is determined with reference to another asset. (e.g. (i) long leg German 10 year government bonds, short leg French 10 year government bonds; or (ii) long leg SP500 equity index, short leg NIKKEI 225 equity index). However, the Investment Manager may use the other asset classes described in this supplement at the macro level for relative value trades for risk diversification and return generation purposes (in particular, if the Investment Manager is unable to express their macroeconomic views purely by taking foreign exchange positions).

The Investment Manager also applies a bottom up approach in order to rank currencies that fit into its broad macro investment themes. These rankings are done both systematically (i.e. by using proprietary statistical methods and factors such as currency yields and strengths as well as volatility, to rank currencies in terms of their attractiveness (the systematic approach relies purely on such objective metrics within the framework designed by the Investment Manager)) and using discretionary methods. Discretionary methods are applied within the analytic and subjective frameworks developed by the

Investment Manager, and relies on factors such as structural economic trends in the global economy, business cycles, and macroeconomic policy analysis.

The Investment Manager expects to have long-term macroeconomic views dictating the portfolio positions the Sub-Fund holds. It does not generally intend to trade in and out of the market frequently. The core strategy of the Sub-Fund relies on macro themes and positions may be held from two to six months or more. Notwithstanding the foregoing, where the Investment Manager believes it is in the best interests of Shareholders, the investment strategy also relies on more opportunistic tactical ideas and the holding period for tactical trades can be anywhere from a few days to six-eight weeks.

The Sub-Fund may, subject to the requirements of the Central Bank, enter into FDI transactions both for investment and efficient portfolio management purposes. The Sub-Fund may take both long and short positions synthetically through the use of FDIs referred to below. These may include swaps, options, futures and options on futures, contracts for differences (CFD), interest rate forwards and forward currency exchange contracts. For example: (i) a forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract; (ii) FX options may be utilised to hedge against underlying currency risk in the portfolio; (iii) currency futures to hedge the risk associated with currency fluctuations; and (iv) equity and commodities exposure through swaps on broad base commodities indices. The Investment Manager intends to trade the following indices (i) the Dow-Jones-UBS Commodity Index (http://www.djindexes.com/commodity/) (ii) the S&P GSCI Dynamic Roll Capped Commodity 35/20 Index; (http://www.spindices.com/indices/commodities/sp-gsci-capped-commodity-35-20-index); (iii) the S&P GSCI Light Energy ILIM Enhanced Strategy Index; (http://www.spindices.com/indices/commodities/sp-gsci-light-energy-index-cpw-4); and (iv) the S&P GSCI Industrial Metals Dynamic Roll Capped Commodity Index, (http://www.spindices.com/indices/commodities/sp-gsci-industrial-metals-dynamic-roll-index) (or any replacement thereof) as well as other broad based commodities indices that may be approved by the Central Bank from time to time.

In addition, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes and the Base Currency of the Sub-Fund as described under Classes of Shares below. For further information on the types of FDIs that the Sub-Fund may enter into please see the section entitled **Information on the Financial Derivative Instruments** below. If it is proposed to utilise any FDIs which are not contained in the risk management process in respect of the Sub-Fund, the Fund will submit an updated risk management process to the Central Bank in accordance with the Central Bank's Guidance Note 3/03 for clearance prior to the Sub-Fund engaging in using such FDIs.

FDIs may be exchange traded or over-the-counter.

The Sub-Fund is expected to use FDI to leverage its exposure. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The ratio of long and short investments may vary through time. The maximum net short exposure of the Sub-Fund will be -50% and the maximum net long exposure will be 50%. The Sub-Fund's gross leverage calculated using the sum of the notional exposure of its derivatives positions is expected to be between 200% and 300% of the Net Asset Value of the Sub-Fund and will never exceed 750% of the Net Asset Value of the Sub-Fund. The Investment Manager intends to use leverage of between 300% and 750% of the Net Asset Value of the Sub-Fund only in rare and compelling conditions. The key conditions that the Investment Manager will have regard to in deciding whether to use leverage of between 300% and 750% of the Net Asset Value of the Sub-Fund are the following: (i) the Investment Manager shall have a strong conviction about the overall portfolio view; (ii) economic fundamentals, macroeconomic policy and market conditions must all align in a significant way in order to support the Investment Manager's views regarding portfolio positioning; and (iii) market volatility and portfolio diversification benefits must be sufficiently low in order to satisfy the outlined risk parameters (i.e. the volatility target and VaR limits).

The Sub-Fund may invest in ancillary liquid assets, which may include bank deposits, certificates of deposit, fixed or floating rate instruments, government securities, commercial paper, floating rate notes and freely transferable promissory notes.

The fixed income securities in which the Sub-Fund may invest may have any rating (including below investment grade) and may be unrated and be either fixed or floating and government or corporate.

Fixed income securities will be deemed to be below investment grade, if they have a rating BB+ and/or lower by Standard & Poor's, or an equivalent rating by any of the other principal rating agencies or, if unrated, are determined to be below investment grade by the Investment Manager. No more than 30% of the Net Asset Value of the Sub-Fund may be invested in below investment grade securities.

The investments of the Sub-Fund (other than permitted unlisted investments) will be listed or traded on the markets referred to in Appendix II of the Prospectus.

The Sub-Fund may enter into repurchase, reverse repurchase and stock lending agreements subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes.

Discretionary method and systematic method are respectively expected to generally represent between 80% - 90% and 10% - 20% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may have exposure to emerging markets. The emerging market exposure is generally expected to represent between 0% and 50% of the Net Asset Value of the Sub-Fund; the main portfolio will be composed of liquid G10 currencies (USD, EUR, JPY, AUD, GBP, CHF, CAD, SEK, NOK, NZD).

Exposure to Collective Investment Schemes (**CIS**) is expected, at any point in time, to represent less than 10% of the Net Asset Value of the Sub-Fund.

Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking a long-term appreciation of capital. Shares in the Sub-Fund will be available to both retail and institutional investors.

2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. In addition, no more than 10% of the Net Asset Value of the Sub-Fund may be invested in CISs, which provide exposure to listed and unlisted equities and are consistent with the investment objective of the Sub-Fund.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

3. INFORMATION ON THE FINANCIAL DERIVATIVE INSTRUMENTS

Swaps. These include total return swaps, swaptions, currency swaps and commodity swaps. A total return swap or a CFD is a bilateral financial contract, which allows the Sub-Fund to enjoy all of the cash flow benefits of an asset without actually owning this asset. A swaption is a financial instrument granting its owner the right but not the obligation to enter into an underlying . A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency. Commodity swaps provide exposure through swaps on broad base commodities indices.

Options. The Sub-Fund may also enter into options traded over-the-counter (or OTC options). Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right, but not the obligation to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. Index put options may be purchased provided that all of the assets of the Sub-Fund, or a proportion of such assets which may not be less in value than the exercise value of the put option purchased, can reasonably be expected to behave in terms of price movement in the same manner as the options contract.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. Futures can be cash settled as well as physically settled.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

4. INVESTMENT MANAGER

The Investment Manager for the Sub-Fund is SLJ Macro Partners LLP. The Investment Manager is incorporated under the laws of England and Wales and has its registered office at 100 Brompton Road, London SW3 1ER. The Investment Manager is authorized and registered with the Financial Services Authority ("FSA") since 20 October 2011. As at 1 May 2012 the Investment Manager has US$31 million assets under management.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager dated 8 August 2012 in relation to the Sub-Fund (the "**Agreement**"), all relevant laws and regulations, this Supplement, the Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments and to conduct the investment management of the Sub-Fund.

The Agreement provides that the Investment Manager shall be responsible for loss to the Fund to the extent such loss is due to negligence (whether through an act or omission), willful default or fraud by itself, its members, officers, servants, employees, agents and appointees. The Investment Manager shall also be liable to the Fund for contractual breach of the Agreement and for its bad faith, recklessness, breach of fiduciary duty and any misrepresentation made by or on behalf of the Investment Manager to the Fund in connection with the Agreement. The Investment Manager shall indemnify and keep indemnified and hold harmless the Fund in the circumstances set out in the Agreement.

The Agreement shall continue in force until terminated pursuant to the Agreement. Either party may terminate the Agreement by giving not less than three months' prior written notice (or such other period as may be agreed between the parties). The Agreement may be terminated at any time in the circumstances set out in the Agreement.

5. SUB-CUSTODIAN

Pursuant to an agreement dated 8 August 2012 (the "**Sub-Custody Agreement**"), the Custodian has appointed Morgan Stanley & Co. International plc ("**MSIP**") as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Custodian, and MSIP may in such capacity hold certain assets of the Sub-Fund from time to time. MSIP is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this Sub-Custody Agreement is at 25 Cabot Square, Canary Wharf, London E14 4QA and which is regulated by the Financial Services Authority in the UK.

The Sub-Custody Agreement may be terminated by either party on five days' written notice, or, where the Services Agreement (as defined below) is not terminated, with MSIP written permission or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach of the agreement. The Sub-Custody Agreement provides that the Company shall indemnify MSIP pursuant to the terms of the Sub-Custody Agreement, and that MSIP and its employees and officers will not be liable to the Custodian or the Company for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Sub-Custody Agreement or the services provided hereunder save where such loss, cost, charge, fee, expense, damage or liability results directly from the negligence, wilful default or fraud of MSIP or its employees or officers.

6. SERVICE PROVIDER

The Fund has appointed MSIP (the "**Service Provider"**) to provide certain services to the Fund as Service Provider pursuant to a Services Agreement dated 8 August 2012 in respect of the Sub-Fund (the "**Services Agreement"**).

The Service Provider may also act as a counterparty for the purposes of OTC transactions.

Under the Services Agreement, the Service Provider or certain other members of the Morgan Stanley Group of companies (the "**Morgan Stanley Companies"**) will provide services to the Fund including the provision to the Fund of settlement, clearing and foreign exchange facilities. The Fund may also utilise Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund.

Further detail in respect of the Services Agreement is set out in the section entitled **Other Information** below.

7. RISK MANAGER

Pursuant to a risk management agreement dated 25 June 2012, as amended (the "**Risk Management Agreement**"), Morgan Stanley & Co. International plc (the "**Promoter"**) has agreed to provide certain Sub-Funds of the Fund, including the Sub-Fund, with risk management and compliance reporting services in accordance with the Risk Management Agreement and the risk management processes in respect of the Sub-Funds.

The Risk Management Agreement provides that the Promoter shall not be liable for any loss, damage or expense (including, without limitation, reasonable legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) directly suffered or incurred by the Fund or the Sub-Fund arising directly out of any act or omission done or suffered by the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties thereunder, save for such loss, damage or expense as shall directly result from the negligence, bad faith, wilful default or fraud of the Promoter (its directors, officers, servants, employees, delegates or sub-contractors) in the performance or non-performance of its duties under this Risk Management Agreement. In no circumstance shall the Promoter be liable for any indirect, special or consequential losses of the Fundor the Sub-Fund or any other party arising from the performance or non-performance of its duties thereunder.

The Risk Management Agreement shall continue in force until terminated pursuant to the Risk Management Agreement. Either party may terminate the Risk Management Agreement on giving not less than 90 days' written notice at any time. The Risk Management Agreement may also be terminated at any time in the circumstances set out in the Risk Management Agreement.

8. BORROWING AND LEVERAGE

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of any Sub-Fund and the Custodian may charge the assets of the Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Sub-Fund will use FDI to leverage its strategies. In accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund may not exceed 20% of the Net Asset Value of the Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of 4 years. The ratio of long and short investments may vary through time. The Sub-Fund's gross notional exposure is expected to be between 200% and 300% of the Net Asset Value of the Sub-Fund and will never exceed 750% of the Net Asset Value of the Sub-Fund. The Investment Manager intends to use leverage of between 300% and 750% of the Net Asset Value of the Sub-Fund only in rare and compelling conditions, and these are detailed in the Investment Process section of this Supplement.

9. RISK FACTORS

9.1. 9.1 The risk factors set out in the section entitled **Risk Factors** in the Prospectus apply.

9.2. 9.2 The following additional risk factors also apply:

Absence of Prior Active Market

The Sub-Fund is new and thus has no operating history.

Dependence on Key Individuals

The success of the Sub-Fund depends upon the ability of the principals of the Investment Manager, Stephen Jen and Fatih Yilmaz (the "**Principals**"), to develop and implement investment strategies that achieve the Sub-Fund's investment objective. If the Principals were to become unable to participate in the management of the Sub-Fund, the consequence to the Sub-Fund could be material and adverse and could lead to the premature termination of the Sub-Fund.

Currency and Currency-Related Instruments

A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts generally affected by relative interest rates and evolving governmental regulations. Investment in undervalued currencies may not compensate the business and financial risks assumed and may prevent investing in other opportunities. Options on a currency constitutes only a partial hedge, up to the amount of the premium received and in the event of adverse rate movements the Sub-Fund could forfeit the entire amount of the premium plus any related transactions costs.

Commodity-Related Instruments

The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities.
Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline.

Global Markets

The economies of countries can significantly differ from each other accordingly to their sector and financial orientations. Additionally, they can heavily depend upon international trade making them dependant and vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Governmental and regulatory interventions become key factors in the analysis of macroeconomic trends in global financial markets which are subject to pervasive and fundamental disruptions and dramatic instability and which are marked by the threat of default by some European countries,. Even if, in certain cases, those interventions have been implemented on an "emergency" basis, leaving some potential room for profitable investments, an increasing likelihood of regulation could be materially detrimental.

Emerging Markets

Compared to developed markets, emerging markets usually present a greater degree of risk, such as less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favourable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

The inefficiency of the markets, the poor quality and reliability of official data published by governments or security exchanges and the non-uniformity of accounting and financial reporting standards make the analysis of emerging markets more complex and investment opportunities riskier. Additionally, low volume levels and low liquidity levels constitute entry and exit barriers magnified by the legal restrictions imposed by certain emerging markets governments.

Currency Hedging Risk

The Base Currency of the Sub-Fund is EUR. Shareholders may subscribe in Pound Sterling, US Dollars or Euros into the GBP, USD and EUR denominated Share Classes respectively.

The GBP and USD denominated Shares are Currency Hedged Share Classes. Shareholders in the Currency Hedged Share Classes are urged to read the section of the Prospectus entitled **Hedged Share Classes** for information on the currency risks associated with investment in those Share classes.

Performance Fee – No Equalisation

The methodology used in calculating the performance fees in respect of certain Share Classes of the Sub-Fund may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the performance fee calculation).

Identity of Beneficial Ownership and Withholding on Certain Payments

In order to avoid a US withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed US investments, the Sub-Fund will be required to enter into an agreement with the US Internal Revenue Service (the "**Service**") by 30 June 2013 identifying certain direct and indirect US account holders and equity holders. A non-US investor in the Sub-Fund will generally be required to provide to the Sub-Fund information which identifies its direct and indirect US ownership. Any such information provided to the Sub-Fund will be shared with the Service. A non-US investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to enter into an agreement with the Service by 30 June 2013 identifying certain direct and indirect US account holders and equity holders. A non-US investor who fails to provide such information to the Sub-Fund or enter into such an agreement with the Service, as applicable, would be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Sub-Fund. Shareholders should consult their own tax advisers regarding the possible implications of this legislation on their investments in the Sub-Fund.

10. DIVIDEND POLICY

It is not the intention of the Directors to declare a dividend in respect of any Share class. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the relevant class of Shares.

11. KEY INFORMATION FOR PURCHASING AND SELLING

Base Currency

EUR

Classes of Shares

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

Class	Currency Denomination	Currency Hedged Shares	Initial Issue Price per Share	Minimum Initial Subscription	Management Fee	Performance Fee	Minimum Subsequent Subscription /Minimum Repurchase Amount	Minimum Holding
Class I EUR Shares	**Euro**	**No**	**€1,000**	**€1,000,000**	**1.5%**	**20%**	**€10,000**	**1,000 Shares**
Class I USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$1,000,000**	**1.5%**	**20%**	**$10,000**	**1,000 Shares**
Class I GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£1,000,000**	**1.5%**	**20%**	**£10,000**	**1,000 Shares**
Class B1 EUR Shares	**Euro**	**No**	**€1,000**	**€ 1,000,000**	**0.6%**	**10%**	**€10,000**	**1,000 Shares**
Class B1 USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$ 1,000,000**	**0.6%**	**10%**	**$10,000**	**1,000 Shares**
Class	**Pound**	**Yes**	**£1,000**	**£ 1,000,000**	**0.6%**	**10%**	**£10,000**	**1,000**

B1 GBP Shares	**Sterling**							**Shares**
Class B2 EUR Shares	**Euro**	**No**	**€1,000**	**€ 1,000,000**	**1%**	**10%**	**€10,000**	**1,000 Shares**
Class B2 USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$ 1,000,000**	**1%**	**10%**	**$10,000**	**1,000 Shares**
Class B2 GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 1,000,000**	**1%**	**10%**	**£10,000**	**1,000 Shares**
Class P EUR Shares	**Euro**	**No**	**€1,000**	**€250,000**	**1.5%**	**20%**	**€10,000**	**250 Shares**
Class P USD Shares	**US Dollar**	**Yes**	**US$1,000**	**US$250,000**	**1.5%**	**20%**	**$10,000**	**250 Shares**
Class P GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£250,000**	**1.5%**	**20%**	**£10,000**	**250 Shares**
Class E EUR Shares	**EUR**	**No**	**€1,000**	**€100,000**	**N/A**	**N/A**	**€50,000**	**N/A**
Class E USD Shares	**USD**	**Yes**	**$1,000**	**$100,000**	**N/A**	**N/A**	**$50,000**	**N/A**

The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified of any permanent change to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, the Minimum Holding and/or the Minimum Repurchase Amount. The Fund has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share class to below the Minimum Holding.

Class B1 Shares and Class B2 Shares will be the initial investor share classes. It is therefore expected that the Class B1 Shares will only be available for subscription by seed investors until the net assets of the Sub-Fund reach EUR 100 million, or such other amount as may be determined by the Investment Manager in consultation with the Directors.

Class B2 Shares will only be available for subscription until the net assets of the Sub-Fund reach EUR 100 million, or such other amount as may be determined by the Investment Manager in consultation with the Directors. Confirmation can be obtained from the Distributor as to whether any of these Share classes are currently being offered for subscription at any time after the initial offer period set out below.

Class E EUR Shares and Class E USD Shares will only be available to investors who have agreed separate fee arrangements with the Investment Manager.

Class I Shares are only available for subscription by Institutional Investors[1] and other investors as determined by the Directors. Private individuals are not permitted to invest in the Class I Shares. Each applicant for such Shares will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

Class P Shares are only available for subscription by private individuals and other investors as determined by the Directors. Institutional Investors are not permitted to invest in the Class P Shares. Each applicant for such Shares will be required to provide such representations, warranties or

1. *An 'Institutional Investor' means (a) any banks or financial sector professionals, insurance and reinsurance companies, social security institutions and pension funds, industrial, commercial and financial group companies, all subscribing on their own behalf and any structures which such entities may put in place for the management of their own assets ("professional investors"); (b) credit institutions and other financial sector professionals investing in their own name but on behalf of professional investors; (c) credit institutions or other financial sector professionals which invest in their own name but on behalf of non-professional investors who have appointed them on the basis of a discretionary management or advisory mandate; (d) collective investment undertakings established in Ireland or abroad, even if its own investors may not be regarded as professional investors; (e) holding companies or similar entities, whether Irish registered or not, whose shareholders are professional investors as described in the foregoing paragraphs; and (f) territorial administrative bodies (e.g. local authorities, regions, provinces, cantons, communes and municipalities) insofar as these invest their own funds.*

documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

The GBP and USD denominated Share classes are Currency Hedged Share Classes. In respect of the Currency Hedged Share Classes the Investment Manager will seek to hedge against the risk of currency movements between the Base Currency of the Sub-Fund and the currency in which the relevant Currency Hedged Share Class is denominated. Investors in USD and GBP denominated Share classes are referred to the description and risks related to Currency Hedged Share Classes in section 16.5 of the Prospectus.

Investors must subscribe into a Share class in the currency in which that Share class is denominated. Repurchase payments are also made in the currency in which the relevant Share class is denominated.

The Directors may, in their discretion, waive the minimum amounts above either generally or in relation to any specific subscription or repurchase.

Initial Offer Period for each Share class

Share Classes B1 EUR, B2 GBP and B2 EUR are issued at their Net Asset Value per Share on each Dealing Day.

The Initial Offer Period for all Share classes (save for B1 EUR, B2 GBP, B2 EUR and E USD share classes) will be from 9.00 am (Irish time) on 9 August 2012 until 3:00 pm (Irish time) on 31 July 2014 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

The Initial Offer Period for the E USD share class will be from 9.00 am (Irish time) on 24 December 2013 until 3:00 pm (Irish time) on 31 July 2014 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank.

Dealing Day and Business Day

Every day (except public holidays in the United Kingdom or Ireland or days on which the stock market in London is closed) during which banks in Ireland and the United Kingdom are open for normal business and such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided that in any event there shall be at least one Dealing Day per fortnight.

Dealing Deadline

12 midday Irish time on the relevant Dealing Day.

The Directors may, in their discretion and in exceptional circumstances, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.

Settlement Date

In the case of subscriptions, by 12 midday Irish time 3 Business Days after the relevant Dealing Day.

In the case of redemptions, within 5 Business Days after the relevant Dealing Day.

In respect of subscriptions investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within these time frames.

Valuation Point

In the case of transferable securities and listed FDI, the valuation point will be such time on a Dealing Day which reflects the close of business on the markets relevant to such assets and liabilities or such other time as the Directors may determine from time to time and notify to Shareholders. In the case of OTC FDI, the valuation point will be the close of business on the Dealing Day or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.

12. CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class P GBP Shares, Class P USD Shares and Class P EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 3% of the issue price of such Shares on that Dealing Day. Any initial charge received by the Sub-Fund may be paid to the Distributor, or any sub-distributor or intermediary, who has the discretion to waive or rebate such charge.

No exchange or repurchase charges shall be payable in respect of the Shares.

The Sub-Fund may impose an anti-dilution levy or adjustment on the issue or repurchase of Shares as further described in the section of the Prospectus entitled **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**. Investors should note that this anti-dilution levy includes any cost associated with the purchase or sale of investments including, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other transaction costs.

Management Fee

The Fund will pay to the Investment Manager from the assets attributable to each class of Shares of the Sub-Fund the following fees ("**Management Fees**") which are based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

1.5% per Class I GBP Share, Class I USD Share and Class I EUR Share (collectively, the "**Class I Shares**");

1.5% per Class P GBP Share, Class P USD Share and Class P EUR Share (collectively, the "**Class P Shares**");

0.6% per Class B1 GBP Share, Class B1 USD Share and Class B1 EUR Share (collectively, the "**Class B1 Shares**");

1% per Class B2 GBP Share, Class B2 USD Share and Class B2 EUR Share (collectively, the "**Class B2 Shares**")

No management fee is payable in respect of the Class E EUR Shares and Class E USD Shares (collectively, the "**Class E Shares**")
.

Performance Fee

In addition to the other fees payable in respect of each Class of Shares in the Sub-Fund, a performance fee (the "**Performance Fee**") is payable to the Investment Manager, of 20% in respect of the Class P Shares and the Class I Shares and of 10% in respect of the Class B1 Shares and the Class B2 Shares. No Performance Fee is payable in respect of the Class E Shares.

The Performance Fee (if any) will accrue and be taken into account in the calculation of the Net Asset Value per Share of each Class at each Dealing Day and will be payable quarterly in arrears in respect of each Performance Period (as defined below).

In calculating the Net Asset Value per Share for Performance Fee purposes, no deduction is made on account of Performance Fees accrued in the Performance Period. All other payments and expenses are deducted.

The high water mark (the "**High Water Mark**") shall be the highest Net Asset Value per Share of the relevant Class at the end of any previous Performance Period for the relevant Class on which a Performance Fee was paid. For the purposes of the first calculation of the Performance Fee, the starting point for the relevant High Water Mark is the initial offer price per Share of the relevant Class.

The performance period shall run quarterly (the "**Performance Period**") with each Performance Period ending on 31 March, 30 June, 30 September and 31 December (each a "**Quarter Date**") in each year. However, in the case of the initial issue of Shares, the first Performance Period will commence on the Business Day immediately following the close of the initial offer period and end on the following Quarter Date. The Performance Fee will be payable by the Fund to the Investment Manager in arrears within 14 calendar days of the end of each Performance Period. However, in the case of Shares redeemed during a Performance Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption. Any such Performance Fee paid in respect of a Class during a Performance Period will be deducted from the Performance Fee paid to the Investment Manager, if any, in respect of the relevant Class which is calculated at the end of the relevant Performance Period.

The Performance Fee will accrue and be taken into account in the calculation of the Net Asset Value per Share at each Dealing Day. The amount accrued at each Dealing Day will be determined by calculating the Performance Fee that would be payable if the Dealing Day was the last day of the current Performance Period.

The amount of the Performance Fee will be calculated by the Administrator and the calculation of the Performance Fee will be verified by the Custodian.

It should be noted that there is no repayment of any Performance Fee already paid if the Net Asset Value per Share subsequently falls back below the High Water Mark, even if a Shareholder redeems its holding.

It should be noted that where a Performance Fee is payable, it will be based on net realised and unrealised gains and losses at the end of each Performance Period. As a result, a Performance Fee may be paid on unrealised gains which may subsequently never be realised.

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

Shareholders may request additional information on the way in which the Performance Fee calculation works from the Administrator.

The Performance Fee in respect of a particular Class becomes due in the event that the Net Asset Value per Share at the end of the Performance Period exceeds the High Water Mark.

The Performance Fee in respect of the Class P Shares and Class I Shares is equal to 20% of the excess of the Net Asset Value per Share at the end of a Performance Period over the relevant High Water Mark, multiplied by the weighted average number of Class P Shares or Class I Shares, as applicable, in issue during the Performance Period.

The Performance Fee in respect of the Class B1 and Class B2 Shares is equal to 10% of the excess of the Net Asset Value per Share at the end of a Performance Period over the relevant High Water Mark, multiplied by the weighted average number of Class B1 Shares or Class B2 Shares in issue during the Performance Period.

The Performance Fee can be expressed as follows:

For the Class P Shares and Class I Shares: Performance Fee = 20% x (NAV_{end} – HWM_{end}) x $Shares_{av}$

For the Class B1 Shares and Class B2 Shares: Performance Fee = 10% x (NAV_{end} – HWM_{end}) x $Shares_{av}$

Where:
NAV_{end} = NAV per Share on the last day of the Performance Period (after deduction of accrued Management Fees)

HWM_{end} = High Water Mark
$Shares_{av}$ = weighted average number of Shares in issue during the Performance Period

If $NAV_{end} < HWM_{end}$, the Performance Fee is nil.

Following a Performance Period in which no Performance Fee has been charged, no Performance Fee will accrue until such time as the Net Asset Value per Share of the relevant Class exceeds the High Water Mark of that Class.

Risk Management, Administrator's and Custodian's Fees

The Fund will pay the Promoter, out of the assets of the Sub-Fund, a fee which will not exceed 0.40% per annum of the net assets of the Sub-Fund and will be accrued daily and paid monthly in arrears.

The Promoter will, inter alia, pay the fees and expenses of the Administrator and 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.

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.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled **Ongoing Charges and Expenses** in the Prospectus will, save in the respect of the fees of the Distributor, be paid out of the assets of the Sub-Fund. The Investment Manager will be responsible for discharging the fees of the Distributor out of its own fees.

In addition, the Sub-Fund will be responsible for such other operating costs, as may reasonably be determined by the Investment Manager, including, without limitation, the costs associated with trade files and trade matching systems. Such costs shall in no event exceed €40,000 per annum.

13. HOW TO SUBSCRIBE FOR SHARES

Requests for the purchase of Shares should be made in accordance with the provisions set out in the section entitled **Applications for Shares** in the Prospectus.

14. HOW TO REPURCHASE SHARES

Requests for the sale of Shares should be made in accordance with the provisions set out in the section entitled **Repurchase of Shares** in the Prospectus.

15. HOW TO EXCHANGE SHARES

Requests for the exchange of Shares should be made in accordance with the provisions set out in the section entitled **Exchange of Shares** in the Prospectus.

16. ESTABLISHMENT CHARGES AND EXPENSES

The cost and expenses of establishing the Sub-Fund will be paid by Morgan Stanley & Co International plc.

17. OTHER CHARGES AND EXPENSES

Further details of charges and expenses payable out of the assets of the Sub-Fund are set out in the Prospectus under the headings **Management Charges and Expenses** and **General Charges and Expenses.**

18. OTHER INFORMATION

As at the date of this Supplement there are twenty-two other sub-funds of the Fund currently in existence, Emerging Markets Equity Fund, Salar Convertible Absolute Return Fund, MS PSAM Global Event UCITS Fund, Indus Select Asia Pacific Fund, MS Algebris Global Financials UCITS Fund, Indus PacifiChoice Asia Fund, MS SOAM U.S. Financial Services UCITS Fund, MS Ascend UCITS Fund, MS Cohen & Steers Global Real Estate L/S Fund, MS Alkeon UCITS Fund, MS Perella Weinberg Tōkum Long/Short Healthcare UCITS Fund, RiverCrest European Equity Alpha Fund, MS Claritas Long Short Market Neutral UCITS Fund, MS QTI UCITS Fund, MS Turner Spectrum UCITS Fund, MS Short Term Trends UCITS Fund, MS Long Term Trends UCITS Fund, MS Discretionary Plus UCITS Fund, MS Swiss Life Multi Asset Protected Fund, MS Dalton Asia Pacific UCITS Fund, MS Broadmark Tactical Plus UCITS Fund and MS TCW Unconstrained Plus Bond Fund.

All references in the Prospectus to the “Irish Financial Services Regulatory Authority” and the “Financial Regulator” should now be read as referring to the “Central Bank of Ireland” and the “Central Bank” respectively.

All references in the Prospectus to the “Regulations” should now be read as referring to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011**,** as amended.

Services Agreement

Pursuant to the Services Agreement, neither the Service Provider nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Services Agreement or the services provided thereunder. In particular, but without limitation, the Service Provider will not be liable for any loss of, or any failure to insure, investments, or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, wilful default or fraud of the Service Provider or any Morgan Stanley Company or their employees or officers.

The Service Provider or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Company will fully indemnify the Service Provider or any Morgan Stanley Company or their employees or officers on demand against any and all claims which the Service Provider or any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearing house or other regulatory authority) as a result, or in connection with, or arising out of the Services Agreement, related documents, related transactions and any other matters set out in the Services Agreement. This indemnity will not extend to the Service Provider or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a direct result of its fraud, wilful default, negligence, breach of applicable law or regulation (other than where the breach of law or regulation arises as a result of the indemnified person taking any action or inaction on the instructions of the Company or its agents or as a result of the failure by the Company to take any action required to be taken by it under applicable law or regulation).

As security for the payment and discharge of all liabilities of the Company to the Service Provider and the Morgan Stanley Companies, all investments and cash held by the Service Provider and each such Morgan Stanley Company will be charged by the Company in their favour and will therefore constitute collateral for the purposes of the rules of the Financial Services Authority (the **FSA**). Investments and cash may also be deposited by the Company with the Service Provider and other Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FSA rules. Investments which constitute collateral for the purposes of the FSA rules may not be segregated from the Service Provider’s own investments and may be available to creditors of the Service Provider or the Morgan Stanley Companies. Cash which the Company transfers to the Service Provider will, subject to the terms of the Services Agreement, be client money for the purposes of the FSA Rules and will therefore be subject to the client money protections conferred by the FSA Rules.

Either party may terminate the Services Agreement by giving at least five Business Days' prior written notice. The Service Provider may terminate the Services Agreement with immediate effect if it determines in its discretion that it has become unlawful under any applicable law for the Service Provider or the Morgan Stanley Companies, or the Company to perform of any or all of its respective obligations thereunder.