

Culross UCITS Index Fund

Supplement to the Prospectus

This Supplement contains information in relation to the Culross UCITS Index Fund (the "**Fund**"), a fund of Custom Markets plc (the "**Company**") an umbrella type open-ended investment company with variable capital, governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**").

This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 14 February 2014 (the "Prospectus")), and must be read in conjunction with, the Prospectus.

Custom Markets plc

An umbrella fund with segregated liability between the sub-funds

Dated 14 February 2014

IMPORTANT INFORMATION

THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES REPRESENTING INTERESTS IN THE FUND DESCRIBED IN THIS SUPPLEMENT YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

Capitalised terms used in this Supplement will have the meanings given to them in the Definitions section below or in the Prospectus.

It is the intention of the Company to invest on behalf of the Fund in financial derivative instruments (“FDIs”) for investment and foreign exchange hedging purposes (as detailed below under the heading “Use of Derivative Contracts”) where applicable.

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

Certain risks attached to investments in FDIs are set out in the Prospectus under the section “Risk Factors”. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in the FDIs.

Suitability of Investment

You should seek your own professional advice as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not capital protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" of the Prospectus and the section headed "Other Information – Risk Factors" of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

Profile of a Typical Investor

The Fund is suitable for investors who are seeking a return on their investment over the long term, have a high tolerance for risk, and are willing to accept a medium to high level of volatility.

Responsibility

The Directors (whose names appear under the heading "Management of the Company - Directors of the Company" of the Prospectus) accept responsibility for the information contained in the Prospectus

and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement when read together with the Prospectus (as complemented, modified or supplemented by this Supplement) is in accordance with the facts as at the date of this Supplement and does not omit anything likely to affect the import of such information.

General

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Key Investor Information Document and Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement, the Key Investor Information Document and the Prospectus should each be carefully read in their entirety before any investment decision with respect to Shares is made.

Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and Key Investor Information Document (other than to prior recipients of the Prospectus). The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement. If you wish to apply for the opportunity to purchase any Shares, it is your duty to ensure that you are suitably informed of, and observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should be aware of the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

DEFINITIONS

Words and expressions defined in the Prospectus will, unless otherwise defined in this Supplement, have the same meaning when used in this Supplement.

Calculation Agent means the determination agent under the Swaps, currently Credit Suisse International or any successor appointed as calculation agent.

CHF means the lawful currency of Switzerland.

Disruption Events means, a Market Disruption Event or a Force Majeure Event.

Euro means the lawful currency of the European Economic Monetary Union Member States.

Europe means the member States of the European Union.

FDI means a financial derivative instrument (including an OTC derivative) permitted by the Regulations.

Force Majeure Event means an event or circumstance (including, without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that is beyond the reasonable control of the Investment Manager and that the Investment Manager determines it affects the Fund Assets.

Fund Assets means the Derivative Contracts entered into between the Approved Counterparty and the Fund, Transferable Securities and the value of the ancillary cash held by the Fund.

GBP means the lawful currency of the United Kingdom.

High Water Mark ("HWM") means the greater of: (i) the highest Net Asset Value per Share (after calculation of the Performance Fee) at the last Valuation Point in any preceding Performance Period (defined in the section entitled "Fees and Expenses" below) where a Performance Fee was crystallised; or (ii) the Initial Issue Price of Shares.

Hurdle will be calculated at each Valuation Point at an annualised rate of 5% of the HWM. A Performance Fee will only be paid once the Net Asset value per Share is higher than the Hurdle at the end of the Performance Period, (and subject to the High Water Mark being exceeded) or when a redemption request is submitted (and in such instances subject to the foregoing). For the avoidance of doubt, the Hurdle shall be non-cumulative and will apply only to the relevant Performance Period. Thus, if the increase in the Net Asset Value per Share for a Performance Period is less than the Hurdle for the relevant Performance Period no performance is payable and such under-performance will not be carried forward to subsequent Performance Periods.

Index means the Culcross UCITS Index.

Index Base Level means 100.

Index Business Day means a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign

currency deposits) in Dublin (Ireland), New York (USA), Valletta (Malta) and London (United Kingdom), and (ii) the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open.

Index Calculation Agent means the party (currently Credit Suisse International) specified in the Index Rules which is responsible for the determination of the Index level.

Index Constituents means the components to which the Index will allocate, including each hedge fund comprised in the Index.

Index Disruption Event means any of the following events as determined by the Index Calculation Agent:

- a) a material breach by any person of an agreement for the provision of services to the Index;
- b) a suspension, termination or review of any relevant regulatory approvals for a relevant Index Constituents or any of its service providers;
- c) any allegations of criminal or fraudulent activity in relation to a relevant Index Constituent or any of its service providers;
- d) any suspension or restriction of subscriptions or redemptions of Index Constituents, any alteration to the actual or documented liquidity terms of the Index Constituents, any redemptions of Index Constituents (partial or whole) otherwise than by payment of a monetary amount or any delay in redemptions of Index Constituents;
- e) any circumstance which the Index Calculation Agent considers it impossible or impracticable to calculate the value of an Index Constituent either with reasonable or fair accuracy or at all, such as the winding-up of a relevant Index Constituent, the imposition of taxes, fees or costs or the lack of required valuation information, or such value cannot be reasonably or reliably transmitted to the Index Calculation Agent;
- f) any circumstance which the Index Calculation Agent considers it impossible or impracticable to determine the Index Value in an accurate and fair manner;
- g) political, economic, military or monetary or any other circumstances outside the control, responsibility and power of the Index Calculation Agent, due to which the valuation of an Index Constituent is not practicable or possible without this being detrimental to the interests of an actual holder of such Index Constituents;
- h) payments to an actual holder of any Index Constituent that are due on redemption of units but cannot be effected at normal rates of exchange.
- i) market disruption event as described in the Index Rules.
- j) resignation of either the Index Sponsor, Index Manager or Index Calculation Agent.

Index Rebalancing means the rebalancing of the Index Constituents by the Index Manager in accordance with the terms of the Index Rules.

Index Rules means the index rules of the Culross UCITS Index which are available from the Index Sponsor on request ir@culrosscapital.com or from the following website: www.culrossindex.com

Index Manager means Culross Global Investment Management Limited

Index Sponsor means Culross Global Investment Management Limited.

Market Disruption Event means the occurrence or existence of one or more of the following events, which occur in relation to any Fund Asset:

- (i) it is not possible to obtain a price or value (or an element of such price or value) of any Fund Asset or Index or any constituent of the Fund Asset or Index according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);
- (ii) the calculation of the price or value of any Fund Asset or Index or any constituent of the Fund Asset or Index is, at the relevant time, in the opinion of the Investment Manager or Index Sponsor, impractical or impossible to make;
- (iii) there is a reduction in liquidity in any Fund Asset or Index or any constituent of the Fund Asset or Index in the determination of the Investment Manager;
- (iv) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where any Fund Asset or Index or any constituent of the Fund Asset or Index is traded; and/or there exists an event or circumstance that prevents or materially limits transactions in any Fund Asset or Index or any constituent of the Fund Asset or Index. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Investment Manager, constitute a Market Disruption Event;
- (v) where the Fund Asset or any constituent of the Fund Asset is not traded on any exchange, quotation system or other similar system, the Investment Manager is unable to obtain (i) from dealers in the Fund Asset or Index or any constituent of the Fund Asset or Index firm quotations in respect thereof or (ii) a subscription or a redemption price of any Fund Asset or Index or any constituent of the Fund Asset or Index according to the rules or normal accepted procedures for such Fund Asset;
- (vi) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Investment Manager;
- (vii) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Fund Asset or Index or any constituent of the Fund Asset or Index into the Fund Base Currency (as set out in the table below) through customary legal channels, as determined by the Investment Manager;
- (viii) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Fund Asset or Index or any constituent of the Fund Asset or Index to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Fund Asset or Index or any constituent of the Fund Asset or Index between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Investment Manager;
- (ix) a general moratorium is declared in respect of banking activities in London, Dublin, New York, Valletta or TARGET.

- (x) (A) it has or will become illegal or contrary to any Market Regulation for the Approved Counterparty to hold, acquire or dispose of hedge position(s) relating to the Funds' transactions (including, without limitation, if the Approved Counterparty's hedge positions (in whole or in part) are (or, but for the consequent disposal thereof, would otherwise be) in excess of any allowable position limit(s) in relation to any particular exchange(s) or other trading facility (it being within the sole and absolute discretion of the Approved Counterparty to determine which of the relevant assets or transactions are counted towards such limit)), or (B) the Approved Counterparty will incur a materially increased cost in (i) performing its obligations under this transaction (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or (ii) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedge position(s) relating to this transaction.

Market Regulation means (a) any law, regulation or order, (b) any regulatory or tax authority ruling, regulation or order or (c) any regulation, rule or procedure of any exchange, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or exchange with competent jurisdiction of any Market Regulation (including, without limitation, as implemented by any regulator, exchange or trading facility).

Regulations means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (S.I. No. 352 of 2011), as may be amended, consolidated or substituted from time to time;

Subscription Price means the price at which the Shares are purchased, as described in the Prospectus under the heading "Subscription for Shares" and as may be specified below;

Tax means any applicable tax, levy, charge or duty which may be imposed by any governmental or regulatory body;

Tracking Error means the volatility of the difference between the return of the Fund and the return of the index tracked.

Trail Fee refers to the commission that is paid by the Investment Manager/Distributor to any sub-distributors.

Transferable Securities means (for the purposes of this Supplement) one or more of the following: (i) fixed income securities issued by financial institutions; (ii) fixed income securities issued by corporates; (iii) fixed income securities issued by sovereign states that are OECD Member States and/or supranational organizations/entities in such OECD Member States; and (iv) equities. The Transferable Securities will be selected based on global economic and prevailing market conditions from a global universe, with no specific geographic or industry focus. Such bonds may be investment grade and/or high yield (i.e. below investment grade; which for the avoidance of doubt shall not exceed 30% of the Net Asset Value of the Fund), fixed or floating rate which may be issued by government, agency, supranational or corporate issuers with no sectoral, geographic or industry focus. In all instances where the Fund invests in Transferable Securities, they will be listed /traded on markets/exchanges as set out in Appendix I of the Prospectus.

USD means the lawful currency of the United States of America.

WM Closing Spot Rate means foreign exchange rates as determined by the Calculation Agent by reference to The WM Company (WM/Reuters) on or around 4pm London time on the relevant day.

TERMS OF THE SHARES REPRESENTING INTERESTS IN THE FUND

Investment Objective

The investment objective of the Fund is to provide Shareholders of each Class of Shares with a return linked to the performance of the Culross UCITS Index (the “**Index**”).

The Index is representative of a broad based universe of hedge funds as described in the “General Description of the Index”.

The Index has been cleared by the Central Bank of Ireland pursuant to the Central Banks Guidance Note 2/07. The Index consists of hedge funds categorised by the Index Sponsor by index themes, a summary of which is set out below under the section entitled General Description of the Index.

One or more Swaps may be used to effectively hedge against currency fluctuations which may arise between each Share Class and the Index, in order to provide Shareholders with a return in the relevant Share Class currency.

For further information in relation to the Index refer to the sections entitled "General Description of the Index" (set out below).

This Fund is not capital protected nor is it guaranteed.

Investment Policy

In order to achieve the investment objective, the Company on behalf of the Fund intends to invest the net proceeds of any issue of Shares (whether on the Launch Date or subsequently) in one or more Derivative Contracts in the form of funded swaps (the “**Funded Swaps**”), and/or unfunded swaps (the “**Unfunded Swaps**”) and/or asset swaps (the “**Asset Swaps**”) (referred to collectively as the “**Swaps**”) entered into with the Approved Counterparty (see section “Use of Derivative Contracts”) and/or to invest directly in Transferable Securities, including any ancillary cash.

The Fund may invest in the methods described below with the purpose of delivering an exposure to the Index in the most efficient way depending on prevailing market conditions.

- a) Where the Fund invests in Funded Swaps, the Fund will obtain exposure to the Index by exchanging cash for the performance of the Index.
- b) Pursuant to the terms of an Unfunded Swap, in return for the payment of the Swap Fees and any other costs and expenses (if applicable), the Fund will receive the performance of the Index.
- c) Where the Fund, either fully or partially, invests directly in Transferable Securities, the Fund may also invest in Asset Swaps which will (i) exchange the performance of such Transferable Securities for the performance of the Index or (ii) exchange the income of such Transferable Securities for the performance of the Index. In terms of (i), where the Transferable Securities offer little or no correlation to the Index, they shall be swapped out in full with the Approved Counterparty for the performance of the Index. In terms of (ii), where the Fund exchanges only the income of such Transferable Securities for the performance of the Index, the Fund

will retain direct exposure to such Transferable Securities and will remain exposed to the issuers of such Transferable Securities.

The percentage of the net assets of the Fund that will be invested in each of the above-listed instruments will depend on the global economic and prevailing market conditions.

The Approved Counterparty to the Swaps and the Company on behalf of the Fund have entered into a master agreement (and credit support annex) and will enter into a confirmation in the form of an ISDA, which will govern the Swaps including provisions relating to their termination. Additional confirmations may be entered into in relation to repurchases of and subscriptions for Shares to adjust the nominal value of the Index exposure.

The Swaps and Transferable Securities together with ancillary cash held by the Fund shall constitute the Fund Assets for the purposes of the Prospectus.

In all instances where the Fund invests in Transferable Securities, they will be listed /traded on markets/exchanges as set out in Appendix I of the Prospectus.

In addition the Fund may invest in FDI's in the form of currency swaps and/or forward foreign exchange contracts in order to hedge against currency fluctuations which may arise between specific share classes and the Funds' Assets (as further detailed in the section "Foreign Exchange Hedging Strategy" below).

Foreign Exchange Hedging Strategy

There may be one or more Funded Swaps or Asset Swaps per Share Class the purpose of which is to aim to hedge against currency fluctuations which may arise between each Share Class and the Index, in order to provide Shareholders with a return in the relevant Share Class currency. See Description of the Shares section for details of which Share Classes use the Foreign Exchange Hedging Strategy.

The Foreign Exchange Hedging Strategy may utilise different FDIs (in the form of currency swaps and/or forward foreign exchange contracts) to seek to hedge against any currency fluctuations which may arise between each relevant Share Class and the Fund Assets. All hedging transactions will be clearly attributable to a specific Share Class and therefore currency exposures of different Share Classes shall not be combined or offset and currency exposures of assets of the Fund shall not be allocated to separate Share Classes. Furthermore, any FDIs entered into by the Investment Manager on behalf of the Fund could expose the Fund to credit risk from the creditworthiness of the counterparty.

Any hedging arrangements shall be monitored such that where the value of the hedges in place in respect of a given Share Class are less or more than 100% of the Net Asset Value attributable to that Share Class, the Investment Manager shall keep the situation under review and will ensure that over hedged positions do not exceed 105% of the Net Asset Value (and under-hedged positions do not fall below 95% of the Net Asset Value). Positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. While it is not the intention of the Fund, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund.

The Company may incur transaction costs in respect of entering into any foreign exchange hedging. Any costs and gains or losses of the hedging transactions will accrue solely to the relevant Share Class.

The use of Derivative Contracts for the purposes set out above may expose the Fund to the risks disclosed under the section of the prospectus entitled "Risk Factors".

Use of Derivative Contracts

Swap Agreements

Swap agreements are two-party contracts for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular agreed investments or instruments. In a swap, the gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount”, i.e. the return or increase in value of a particular security or “basket” of securities or securities index.

In respect of currencies the Fund may utilise currency swap contracts where the Fund may exchange (i) currencies at fixed rates of exchange for currencies at floating rates of exchange or (ii) currencies at a floating rate of exchange for currencies at a fixed rate of exchange. For these instruments the Fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

Funded Swaps

The Funded Swaps may be used to expose the Fund to the performance of the Index in exchange for the Fund paying all or substantially all (some cash may be retained to pay expenses and fees) of the net proceeds of any issue of Shares to the Approved Counterparty.

The Funded Swaps may be terminated on the occurrence of certain events with respect to either the Fund or the Approved Counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not due to the fault of either party, for example, illegality or a tax event).

If the Funded Swaps are terminated, the Fund may then enter into new Derivative Contracts in the form of funded swaps or other Swaps (as detailed elsewhere in this section) with other Approved Counterparties in order to gain exposure to the Index. If the Directors resolve that it is inadvisable to enter into new Derivatives Contracts, the Fund will be terminated in accordance with the provisions of the Prospectus.

Unfunded Swaps

Unfunded Swaps may be used to expose the Fund to the performance of the Index in return for the payment of the Swap Fees and other costs expenses (if applicable).

Pursuant to the terms of the Unfunded Swap agreement, the Unfunded Swaps may be terminated on the occurrence of certain events with respect to either the Fund or the Approved Counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not due to the fault of either party, for example, illegality or a tax event).

If the Unfunded Swaps are terminated, the Fund may then enter into new Derivative Contracts in the form of unfunded swaps, or using other derivatives (as detailed above), with other Approved Counterparties in order to gain exposure to the Index. If the Directors resolve that it is inadvisable to enter into new Derivatives Contracts, the Fund will be terminated in accordance with the provisions of the Prospectus

Asset Swaps

The Asset Swaps expose the Fund to the performance of the Index in exchange for the performance of the Transferable Securities held by the Fund. The Approved Counterparty will provide appropriate Collateral to the Company in accordance with the Investment Restrictions so that the Company's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank.

The Asset Swaps may be terminated on the occurrence of certain events with respect to either the Fund or the Approved Counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not due to the fault of either party, for example, illegality or a tax event).

If the Asset Swaps are terminated, the Fund may then enter into new Derivative Contracts in the form of asset swaps or other Swaps (as detailed above) with other Approved Counterparties in order to gain exposure to the Index. If the Directors resolve that it is inadvisable to enter into new Derivatives Contracts, the Fund will be terminated in accordance with the provisions of the Prospectus.

In respect of each of the Funded Swaps, Unfunded Swaps and Asset Swaps the Approved Counterparty will provide appropriate Collateral to the Company in accordance with the Investment Restrictions so that the Company's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank. Furthermore, collateral may be posted to the Approved Counterparty by or on behalf of the Fund which shall be taken into account when calculating counterparty risk exposure. Collateral posted to an Approved Counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the relevant counterparty.

Forwards

A forward contract locks-in the price at which an asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date. Forward contracts may be cash settled between the parties. The sub-fund's use of forward foreign exchange contracts may include, but is not be limited to hedging against exchange risks, and hedging classes denominated in a class currency to the Base Currency of the Fund. Any forward contract entered into by the sub-fund will be in accordance with the limits prescribed by the law.

Leverage

The total expected level of leverage of the Fund as a result of its investments shall not exceed 100% of its Net Asset Value, as calculated using the commitment approach.

The Fund will not be leveraged for investment purposes and will therefore not be subject to any shortfall risk. The capital required to fulfil a financial obligation arising in respect of use of the FDIs shall never exceed the available capital in the Fund.

The Index does not contain leverage, but may include notional temporary borrowing of up to 10 per cent, subject to availability.

Risk Management

The Fund will use the commitment approach to accurately measure market risk and calculate its exposures. The market value of the underlying securities and derivatives will be used to calculate the total exposure of the Fund.

The Company on behalf of the Fund has filed with the Central Bank its risk management policy which enables it to measure, monitor and manage the various risks associated with the use of FDIs. The

Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will not utilise any Financial Derivative Instruments that are not included in its existing risk management policy cleared by the Central Bank, and it will not use such Financial Derivative Instruments until such time as they have been cleared by the Central Bank and an updated risk management policy has been filed.

Tracking Error

Investment in the Fund should not be considered to provide a direct exposure to the Index as the Fund may gain exposure to the Index via a Swap or other permitted FDI's, and the Fund may not invest directly in components of the Index.

In normal market conditions the volatility of the Fund's returns can be expected to be closely correlated to the volatility of the Index, however, since the Fund enters into a Swap to receive the performance of the Index the tracking error in relation to the Base Currency of the Fund is anticipated to be about 2% per annum due to rounding, fees and expenses.

Borrowings

In accordance with the general provisions set out in the Prospectus under the heading "Funds - Borrowing and Lending Powers", the Company on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis, provided that such borrowing is only for a period of up to one month and is only used to cover a cash shortfall caused by mismatched settlement dates on purchase and sale transactions or on a temporary basis to finance repurchases or to settle redemptions from Shareholders.

Valuation

The Fund Assets, which will be valued on each Valuation Point in order to determine the Net Asset Value per Share of the Fund in accordance with the rules set out in the Prospectus. The Net Asset Value per Share will differ on each Dealing Day as: (a) the value of the Derivative Contracts will increase or decrease over time by reference to the performance of the Index to which they relate; (b) the value of the Fund Assets will increase or decrease over time by reference to a variety of factors including, amongst others, market risks, credit quality, corporate actions, macro-economic factors, investment performance and speculation; (c) fees and expenses in relation to the Fund will accrue over time; and (d) the value of the Derivative Contracts may include the, addition or deduction of transactions costs by the relevant Approved Counterparty on the relevant Dealing Day. These transaction costs incurred by the Approved Counterparty may include hedging costs, dealing charges, taxes and other similar costs (including but not limited to costs associated with posting collateral between the Fund and the Approved Counterparty, and if applicable (for example in the Unfunded Swaps and Swaps), financing costs agreed with the swap providers in the provision of the swap agreement) and spreads where the Approved Counterparty increases or decreases its utilisation of the Index in response to net subscriptions or redemptions in the Fund. Accordingly, you should note that the Net Asset Value per Share at any time may be less than the original value of your investment and you should be prepared to sustain a loss on your investment. The Net Asset Value per Share between Share Classes denominated in different currencies may differ on any one or more Dealing Days as a result of exchange rate movements in the currencies in which such Shares are denominated.

Subscription and Repurchase Price

The Subscription Price and the Repurchase Price at which a Share will be subscribed for or repurchased on a Dealing Day (subsequent to the Initial Offer Period), as the case may be, is the Net

Asset Value per Share of the relevant Class on the relevant Dealing Day, as adjusted in accordance with any applicable fees as described under the heading "Fees and Expenses" section below and in accordance with the provisions of this section.

The Net Asset Value per Share of a relevant Share Class will differ on each Dealing Day: (a) as the fees and expenses in relation to the Fund will accrue over time; and (b) due to dealing charges, taxes and other transaction costs (described in the "Valuation" section above) and spreads from buying and selling prices of the Fund Assets.

The Net Asset Value per Share Class for subscription or repurchase may be adjusted by adding or deducting up to 1.00% (as determined by the Directors) in accordance with the Anti-Dilution Levy as defined in the Prospectus. Where there is no dealing in the Fund or Share Class on the relevant Dealing Day, the Subscription Price or the Repurchase Price will be the unadjusted Net Asset Value per Share rounded to such number of decimal places as the Directors deem appropriate.

Accordingly, you should note that the Net Asset Value per Share Class at any time may be less than the original value at the time of your investment and you should be prepared to sustain a loss on your investment.

Disruption Events

Upon the occurrence of a Disruption Event (and without limitation to the Directors general powers, as further described in the Prospectus):

- (i) the Investment Manager may make adjustments to determine the value of the Index and the Net Asset Value may therefore be affected by such adjustment;
- (ii) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, repurchase and exchange of Shares in accordance with the provisions of the Prospectus under the heading "Suspension of Calculation of Net Asset Value";
- (iii) The Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund

Investment Restrictions

Investors in particular must note that the general investment restrictions set out under the heading "Funds – Investment Restrictions" in the Prospectus apply to the Fund.

Limited Recourse

A Shareholder will solely be entitled to look to the Fund Assets in respect of all payments in respect of its Shares. If the realised net assets of the Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the Company.

The Derivative Contracts may contain limited recourse provisions under which the recourse against the Company in respect of any claims arising under or in relation to the Derivative Contracts are expressed to be limited to the Fund Assets, and the Approved Counterparty will have no recourse to any other assets of the Company. If following the realisation of the assets of the relevant Fund and the application of such realisation proceeds in payment of all claims of the Approved Counterparty relating to the relevant Fund and all other liabilities (if any) of the Company ranking *pari passu* with or senior to such claims which have recourse to the relevant Fund, such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Approved

Counterparty will have no further right of payment in respect thereof and (c) the Approved Counterparty will not be able to petition for the winding-up of the Company as a consequence of any such shortfall.

Dividend Policy

There are no dividend entitlements for Shares.

Listing

No application has been made to list the Shares on any stock exchange. The Directors may, however, seek listing of the Shares on one or more stock exchanges following the Launch Date.

General Information Relating to the Fund

Fund Base Currency	USD									
Share Class	“A EUR”	“A USD”	“A CHF”	“A GBP”	“B EUR”	“B USD”	“B CHF”	“B GBP”	“C EUR”	“C GBP”
Base Currency	EUR	USD	CHF	GBP	EUR	USD	CHF	GBP	EUR	GBP
Type	Open-ended									
Business Day	A day (other than a Saturday or a Sunday) on which; (i) commercial banks and foreign exchange markets are open and settle payments (including dealings in foreign exchange and foreign currency deposits) in New York (USA), Dublin (Ireland), Valletta (Malta) and London (United Kingdom); (ii) each relevant Clearing System (as defined in the Prospectus) is open for business, (iii) the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open.									
Dealing Day	The first Index Business Day falling on or after the 14th calendar day of each month, and the last Index Business Day of each calendar month.									
Dealing Deadline	12 p.m. (Dublin time) on a day which is five Business Day prior to the relevant Dealing Day save that any applications for subscriptions, exchanges and repurchases of Shares being made by an investor outside Ireland via a Distributor, a Sub-Distributor or other agent will be subject to such earlier dealing deadline as the Distributor, Sub-Distributor or other agent may inform the investor to enable the Distributor, Sub-Distributor or other agent to collate all subscription, exchange and repurchase forms in order to submit them to the Administrator by the Dealing Deadline.									
Subscriptions, Exchanges and Repurchases	All subscriptions, exchanges and repurchases can only take place through the Distributor, Sub-Distributor or other representative appointed by the Company in the relevant jurisdiction. Subscriptions, exchanges and repurchases through a Distributor, Sub-Distributor or representative shall only take place on Business Days when commercial banks and foreign exchange markets are open for normal banking business without any interruption and settle payments (including dealings in foreign exchange and foreign currency deposits) in the relevant jurisdiction where such Distributor, Sub-Distributor or representative accepts the investor's application for subscription, exchange or repurchase.									
Launch Date	Means 31 December 2013.									
Initial Offer Period	The Initial Offer Period started at 9 am (Dublin time) on 11 December 2013. The final date of the Initial Offer Period was 12pm (Dublin time) on 20 December 2013.									
Minimum Fund Size	USD 20,000,000 (or its currency equivalent)									
Valuation Point	Close of business (Dublin time) on the relevant Dealing Day by reference to which the Net Asset Value per Share of the Fund is determined.									
Payment for	Payment in respect to the issue of Shares must be made at the latest three									

Subscription of Shares*	Settlement Business Days prior to the relevant Dealing Day. The Shares shall be allotted within five settlement Business Days after the relevant Dealing Day.
Repurchase Settlement Date*	Five Settlement Business Days after the relevant Dealing Day.
Settlement Business Day	Any day which is both a Business Day and a business day in the jurisdiction of settlement

* The relevant Settlement Date in the case of a repurchase of Shares refers to the date when the Company makes the relevant payments (if any) to the holder of Shares whose name appears in the register of Shares of the Company (the “Registered Shareholders”) such as a nominee. The Registered Shareholders will make such payments to their underlying investors in due course. Accordingly, an investor who has his or her Shares held through a Registered Shareholder may receive the relevant payments after the dates specified in this Supplement.

Description of the Shares

Group I Share Classes

Share Class	"A EUR"	"A USD"	"A CHF"	"A GBP"
Initial Issue Price	EUR 100 per Share	USD 100 per Share	CHF 100 per Share	GBP 100 per Share
Minimum Initial Investment Amount	EUR 100,000	USD 100,000	CHF 100,000	GBP 100,000
Minimum Additional Investment Amount	EUR 50,000	USD 50,000	CHF 50,000	GBP 50,000
Minimum Redemption Amount	1 Share	1 Share	1 Share	1 Share

Group II Share Classes

Share Class	"B EUR"	"B USD"	"B CHF"	"B GBP"
Initial Issue Price	EUR 100 per Share	USD 100 per Share	CHF 100 per Share	GBP 100 per Share
Minimum Initial Investment Amount	EUR 100,000	USD 100,000	CHF 100,000	GBP 100,000
Minimum Additional Investment Amount	EUR 50,000	USD 50,000	CHF 50,000	GBP 50,000
Minimum Redemption Amount	1 Share	1 Share	1 Share	1 Share

Group III Share Classes

Share Class	"C EUR"	"C GBP"
Initial Issue Price	EUR 100 per Share	GBP 100 per Share
Minimum Initial Investment Amount	EUR 100,000	GBP 100,000

Minimum Additional Investment Amount	EUR 50,000	GBP 50,000
Minimum Redemption Amount	1 Share	1 Share

There is no Trail Fee payable by the Investment Manager/ Distributor on Group III Share Classes. All other Groups may allow trail fees to be paid by the Investment Manager/ Distributor.

Share Classes not denominated in the Base Currency of the Fund shall use the Foreign Exchange Hedging Strategy set out above.

Fees and Expenses

The following fees will be incurred on each Share by Shareholders (which accordingly will not be incurred by the Company on behalf the Fund and will not affect the Net Asset Value of the Fund):

Share Class	All Share Classes
Exchange Charge	No charge
Preliminary Charge	No charge
Repurchase Charge	No charge

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the Fund.

Group I

Share Class	"A EUR"	"A USD"	"A CHF"	"A GBP"
Management Fees ¹	Up to 1.30% per annum			
Performance Fees ²	10% per annum	10% per annum	10% per annum	10% per annum

Group II

Share Class	"B EUR"	"B USD"	"B CHF"	"B GBP"
Management Fees ¹	Up to 1.85% per annum			

Performance Fees ²	10% per annum	10% per annum	10% per annum	10% per annum
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Group III

Share Class	“C EUR”	“C GBP”
Management Fees ¹	Up to 1.85% per annum	Up to 1.85% per annum
Performance Fees ²	10% per annum	10% per annum

1. The Management Fees, a percentage of the Net Asset Value (plus VAT, if any) of the relevant Class of Shares, is payable by the Company out of the Fund Assets in accordance with the terms of the Prospectus. The Management Fee will accrue on each day and be calculated on each Dealing Day and paid monthly.
2. Performance Fees are payable by the Company out of the Fund Assets in accordance with the below terms.

The Performance Fee is calculated in respect of each semi-annual period ending as at the last Valuation Point of the relevant calendar semi-annual period ending in June or December (a “Performance Period”), save that for the first Performance Period it will be the period commencing on the Launch Date (and ending as at the last Valuation Point of June 2014).

The Performance Fee in respect of each Performance Period will be calculated by reference to the Net Asset Value of each Share Class before deduction of any accrued Performance Fees and accrued as an expense of the Company as at each Valuation Point.

The Performance Fee will be calculated by the Administrator, verified by the Custodian and normally paid at least semi-annually within 45 days of the end of the relevant period.

The “**Fund Share Class Performance**” for each Share Class in respect of a Performance Period is equal to the amount (if any) by which the Net Asset Value per Share, before deduction of any accrued Performance Fees, exceeds the Hurdle for the relevant Class multiplied by the number of Shares of that Class in issue on the Business Day following the last Valuation Point of the Performance Period.

For each Performance Period, the Performance Fee in respect of all Share Classes” will be equal to 10 per cent of the relevant Fund Share Class Performance in excess of the Hurdle.

If a redemption occurs on a Dealing Day where there is a Performance Fee accrual, the total amount of Performance Fee accrual attributable on a pro-rate basis to the relevant shares to be redeemed will become due and will be payable at the end of the Valuation Point together with any other Performance Fee accrued.

For the avoidance of doubt, since the Performance Fee is calculated at the level of the Share Class rather than at the level of a single transaction, large subscriptions or redemptions may affect the Performance Fee accrual and as a consequence the Net Asset Value of the relevant Share Class.

It should be noted that as the total Net Asset Value may differ between Share Classes, separate performance fee calculations will be carried out for separate Share Classes within the Fund. Therefore the different Share Classes may become subject to different amounts of Performance Fee.

Since the Performance Fee will be determined on both net realised and net unrealized gains and losses as at the end of each Performance Period, a Performance Fee may be paid reflecting unrealised gains that are not subsequently realized by the Fund.

Transactional Fees

A fee of up to 0.75% per annum as a percentage of the value of the Swap held by the Fund (the "Swap Fee") shall be payable to the Approved Counterparty under the terms of the relevant Swap which exposes the Fund to the performance of the Index. Subject to the foregoing limit, the Swap Fee may change during the life of the Fund as a result of entering into new Swaps. At the Launch Date, the Swap Fee shall be 0.60% per annum.

This section under the heading "Fees and Expenses" should be read in conjunction with the section headed "Fees and Expenses" in the Prospectus.

GENERAL DESCRIPTION OF THE INDEX

Culross UCITS Index

General

The Index of the Fund is the Culross UCITS Index (the "**Index**") which has been cleared by the Central Bank pursuant to the Central Bank's Guidance Note 2/07 and which is described in the rules for the Culross UCITS Index as amended from time to time (the "**Index Rules**"). The Index is calculated and maintained by Credit Suisse International (the "**Index Calculation Agent**") based on a methodology developed by Culross Global Investment Management Limited (the "**Index Sponsor**").

Index Rules

The Index Rules are available upon request at the following e-mail address list.custom-markets@credit-suisse.com and are also available from the following website: www.culrossindex.com [TBC]

A further more detailed Index rulebook is available to Shareholders from list.custom-markets@credit-suisse.com upon request.

The summary description of the Index set out below (the "**Index Description**") is qualified in all respects and should be read in conjunction with and is subject to the Index Rules (provided that the Index Rules do not form part of the Index Description or the Prospectus and investors are encouraged to read the Index Rules prior to making any investment in the Fund).

Overview of the Index Strategy

The Index is a hedge fund index that is designed to represent the performance of a portfolio of global hedge funds diversified by investment themes, trading methodologies, asset classes and regions. The Index is constructed and managed according to an objective and transparent set of index rules (as set out in the Index Rules) and overseen by an index committee to ensure that the rules are correctly applied and observed.

The Index represents an investment by a hypothetical investor into a portfolio of themed hedge funds, each being an "**Index Constituent**".

The Index Manager classifies each hedge fund into an investment theme (hereinafter an "**Investment Theme**"), as classified and summarised below:

Index Theme	Description
1 Macroeconomic Change	Managers trading on a global and regional basis, predominantly in rates, fx, credit indices, equity indices and commodities, seeking to profit from macroeconomic developments.
2 Sector Stories	Company sector specialists exploiting sector specific opportunities on a global basis.
3 Credit Market Opportunities	Credit specialists exploiting credit opportunities both directional and relative value on a global basis in both

		corporate and asset backed issues.
4	Hedgers	Managers demonstrating pronounced negative correlation to Index Constituents in other Index Themes, with strong downside control.
5	Arbitrage	Arbitrage and relative value managers exploiting market neutral opportunities globally. This may include fixed income arbitrage, merger arbitrage, convertible bond arbitrage, and mortgage backed securities arbitrage.
6	Equity Market Opportunities	Equity specialists exploiting both directional and hedged opportunities in both developed and emerging markets.
8	Corporate Event	Managers exploiting idiosyncratic corporate events on a global basis in equity and credit.
9	Cash	Cash and cash equivalents.

Index Themes are allocated by the Index Sponsor to each Index Constituent comprising the Index using a set of predetermined rules.

The Index is independently managed from the management of the Fund.

Index Definitions

Base Currency:		The Base Currency of the Index is USD
Exchanges:		Dublin (Ireland), New York (USA), Valletta (Malta) and London (United Kingdom)
Index Valuation Days:		The Index shall be calculated and published on the 14 th calendar day of each calendar month (or the immediate following Business Day if not a Business Day), and the last Business Day of each calendar month.
Index Value:		Means the Base Currency value of the Index as published by the Index Sponsor on any Index Valuation Day, calculated in accordance with Section 6 of the Index Rules.
Index Start Date:		30 November 2013
Index Rebalancing Dates:		The Index Start Date and any Index Valuation Day following the Index Start Date.
Foreign Exchange Rate:		Any Index Constituents not denominated in USD shall be converted into USD using the foreign exchange rates calculated at 4pm London time and published by WM Company on the relevant Reuters page WMRSPOT or any successor page, or if such rate is not available, a rate determined by the Index Calculation Agent in good faith and in a commercially reasonable manner.

Index Composition

To ensure diversification the Index assigns maximum target weights to an Investment Theme, and specifies that a minimum of five different Investment Themes shall be represented within the Index. Each of the Investment Themes included within the Index at the relevant time shall contain at least one hedge fund of that Investment Theme. Each Index Constituent shall be subject to a maximum of 7.5 per cent weighting within the Index, and the minimum number of Index Constituents within the Index shall be twenty.

In addition to the above, the maximum notional allocation to cash shall be ten per cent (10%).

Calculation of the Index

The Index Calculation Agent will determine the Index Value on each Index Valuation Day. The Index Calculation Agent's determination of the Index Value shall be final, conclusive and binding in the absence of manifest error. The Index Calculation Agent will determine the Index Value based upon the following principles:

- Index Constituents shall be valued based on their latest net asset value per share officially reported at the time with respect to the relevant Index Valuation Day, which is available to the Index Calculation Agent when calculating the Index Value;
- Any non-USD value shall be translated into USD at the rate that the Index Calculation Agent shall, in its absolute discretion, reasonably deem appropriate;
- The Index Calculation Agent may, at its absolute discretion, permit some other method of valuation to be used if (i) it reasonably considers that such valuation is considered appropriate to reflect fair value or (ii) no price quotations are available in the manner as provided above in which case the value shall be determined in such manner as the Index Calculation Agent shall reasonably determine, including the reasonable use of estimates.

The Index is a net replication index calculated by the Index Calculation Agent taking into account an adjustment for any of the following and similar costs related to an investable structure, the full details of which can be obtained from the Index Sponsors website www.culrossindex.com:

- Costs attributable to a hypothetical investor for replicating an investment in the Index Constituents comprising the Index from time to time either directly or within a hedging vehicle, such as customary portfolio administration, audit, custody, directors, licence and banking fees. Costs may vary by hedging strategy and prevailing market conditions, however at the date of this document such costs are not expected to be greater than 0.4 per cent per annum for replicating a notional investment in the Index Constituents of USD 100,000,000 in aggregate. For more up-to-date information about such costs and publication of the Adjustment Factor, please refer to the Index Sponsor's website
- Transaction costs associated with hedging of any currency risk;
- Suspensions or gates with respect to subscriptions or redemptions of Index Constituents;
- A Index Constituent applies series accounting, equalisation or other accounting adjustments in respect of investments occurring on different dealing days;
- Dividend payments by Index Constituents are treated as if they are reinvested in the Index

- Entrance and/or Exit Fees with respect to transactions executed by a hypothetical investor replicating the Index
- Taxes which would be applicable to an actual holder of such shares and which, in the opinion of the Index Calculation Agent, shall be relevant for that purpose
- Any such event which may give rise to a difference in performance between theoretical performance of the Index and the performance earned by a hypothetical investor tracking the Index

Index Costs

No Index Fee shall be deducted from the Index other than costs attributed to a hypothetical investment in a portfolio of hedge funds (as described above). Furthermore, no fees shall be deducted from the Index payable to the Index Calculation Agent, Index Manager or the Index Sponsor.

Publication of the Index

The Index Value is calculated and published for each Index Valuation Day (t) on Bloomberg page <CSFLCLRS Index> and at the publicly available website: [TBC] after 11:00 a.m. London time on the fourth Business Day after the Index Valuation Day (t+4).

The Index Calculation Agent retains the right to delay publication of the Index Value if it believes there are circumstances that prevent the correct calculation of the Index.

The methodology of the Index does not allow for retrospective changes to any previously published values of the Index.

Review and rebalancing of the Index

Index Constituents are subject to an on-going review by the Index Manager that aims to ensure that Index Constituents continue to fulfil the criteria that lead to the initial allocation. This process involves routine and regular qualitative and quantitative monitoring.

The review encompasses an extensive range of post-investment assessment that includes on-going risk analysis and on-going operational due diligence across all Index Constituents. Index Constituents offer full transparency of their trading positions to the Index Sponsor thus allowing the independent risk department of the Index Sponsor to run a range of reports covering areas such as value at risk, sensitivity analysis and stress testing.

Re-balancings may occur on each Index Rebalancing Date and become effective at the close of such Index Rebalancing Date. The Index level reflects and includes the cost, if any, of rebalancing the Index Constituents. Changes will be posted on the publicly available website: www.culrossindex.com

The goal of the Index is to maintain a portfolio of at least 20 hedge fund indices with no one constituent's weighting representing more than 7.5% of the Index at each Index Rebalancing Date.

Index Disruption

Where, in the determination of the Index Calculation Agent, a Disruption Event has occurred or is existing and subsisting in respect of any Index Calculation Day (a "Disrupted Day"), the Index Calculation Agent may in respect of such Disrupted Day (i) suspend the calculation and publication of the Index Value and/or (ii) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index Value and/or, the Index Calculation Agent may, following such

Disrupted Day, take any action including but not limited to designation of alternative price sources, reconstitution of the Index or temporary close-out of option positions.

Disclaimer

The Index is the exclusive property of the Index Sponsor developed on the basis of a proprietary methodology. The Index Sponsor has contracted with the Index Calculation Agent to calculate the Index.

The Index Description is published for information purposes only and investors should read the Index Rules, including the Disclaimer therein, before making any investment in the Fund. The Fund is not in any way endorsed or promoted by the Index Sponsor.

Neither the Index Sponsor, nor the Index Manager nor the Index Calculation Agent has any obligation to take the needs of any person into consideration in composing, determining or calculating the Index (or causing the Index to be calculated).

In addition, neither the Index Sponsor, nor Index Manager nor the Index Calculation Agent makes any warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise, and neither the Index Sponsor, Index Manager nor the Index Calculation Agent shall be liable, whether in negligence or otherwise, to any person for any errors or omissions in the Index or in the calculation of the Index or under any obligation to advise any person of any errors or omissions therein.

The Index Sponsor, Index Manager and the members of the Index Committee are employed by Culross entities.

OTHER INFORMATION

Risk Factors

Certain risks relating to the Shares are set out under the heading “Risk Factors” in the Prospectus. In addition, Shareholders must also note that: -

- (a) Market Exposure

The performance of the Fund is linked to the performance of the Index which, in turn, is linked to the performance of the relevant Index Constituents. Thus, by investing in the Fund, the Shareholders in the Fund will be exposed to the performance of hedge funds; consequently, the Shareholders will be exposed to the risks associated with investing in the relevant hedge funds including, but not limited to, political, economic and other risks. For more detail about risks associated with hedge fund please see “Risks relating to Hedge Funds” below
- (b) Emerging Markets

Hedge funds may have exposure to a wide range of markets including emerging markets. Fluctuations in the performance of emerging markets are normally higher than that of the developed markets. Emerging markets are all countries defined in the Index Rules. Investing in emerging markets may carry a higher risk than investing in developed markets. The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets. Moreover, settlement systems in emerging markets may be less well organised than in developed markets.
- (c) Currency Movement

The return that Shareholders of each Share Class will receive will be dependent on the performance of the Index, any ancillary cash and also any relevant foreign exchange hedging (as applicable to the Share Class). Therefore due to exchange rate movements between the Index and any currency of the relevant Share Class, the return to a Shareholder from each relevant Share Class may be different from the return on the Index alone.
- (d) Return less than comparative investment

The return of the Shares may be less than that of securities of comparable exposure or less than interest rates available in the market.
- (e) Lack of protection or guarantee

The value of investments may fall as well as rise and investors may get back less than they originally invested.
- (f) Availability of the Financial Derivative Instruments

The Swaps may be terminated in accordance with their terms upon the occurrence of

certain events, including disruption in any hedging, (which for example may occur, including but not limited to, circumstances where the Approved Counterparty or any other counterparty is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions or assets it deems necessary to hedge the price risk of entering into and performing its obligations with respect to the relevant transaction, or (b) to realize, recover or remit the proceeds of any such transactions or assets), in relation to either the Approved Counterparty or the Fund, failure to pay, insolvency and the imposition of withholding tax on the payments due by either party. Upon such termination, the Fund (except in the case of fully funded swaps) or the Approved Counterparty may be liable to make a termination payment (regardless of which party may have caused such termination) based on the mark to market value of the Swaps at such time.

(g) Counterparty Risk

The return payable under the Swaps with the Approved Counterparty is subject to the credit risk of Credit Suisse International as Approved Counterparty (but as the risk exposure to the Approved Counterparty may be collateralised to the extent required by the Central Bank, the risk exposure to the Approved Counterparty is limited to 10% of the Net Asset Value of the Fund). In addition, Credit Suisse International will act as the Calculation Agent. Shareholders should note that not only will they be exposed to the credit risk of Credit Suisse International but also potential conflicts of interest in the performance of the function of Calculation Agent by Credit Suisse International. Credit Suisse International has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Company and the Shareholders are not unfairly prejudiced. The Directors believe that Credit Suisse International is suitable and competent to perform such functions.

(h) Reinvestment of Cash Collateral

As the Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, the Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

(i) Limited Recourse: Segregation of the Fund assets

The sub-funds of the Company are segregated as a matter of Irish law and as such, in Ireland, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.

(j) Underlying Index Composition

The composition of the Index may change from time to time in accordance with the rules of the Index as set out by the Index Sponsor. Such changes may have an impact on the Net Asset Value.

(k) Tracking Error to the Underlying Index

Exposure to the Index is achieved through (i) an investment in the Funded Swap/ Unfunded Swaps and/or (ii) direct investment in Transferable Securities in tandem with Asset Swaps, each of which seeks to provide the Fund with the performance of the Index but may not be able to do so exactly due to factors including, but not limited to, fees and expenses, taxes, and Swap Fees. Consequently, the value of the Funded Swaps/ Unfunded Swaps and/or Transferable Securities with Asset Swaps (which ultimately determine the return Shareholders will receive) may not exactly track the value of the

Index (e.g. with regard to Asset Swaps the value of the Transferable Securities may have a negative or positive impact on the value of Net Asset Value of the Fund). Shareholders should thus be familiar with the risks associated with such an approach to investment.

(l) Disruption Events

If a Disruption Event occurs, the Calculation Agent and the Investment Manager may make determinations and/or adjustments in order to determine the value of the Index. The Net Asset Value may be affected by such adjustment.

(m) Regulatory Approval

The Central Bank reserves the right to withdraw the authorisation of the Fund if the Index is no longer considered to be acceptable.

(n) Extraordinary events affecting the Index

The Index is subject to certain extraordinary events, including, but not limited to, any modification to, or cancellation of, the Index or any elimination, conversion, redenomination or exchange of any currency of an Index constituent. The Index Sponsor (or any committee appointed in accordance with the Index Rules) may make adjustments to the Index as a result of such circumstances. The Swaps and/or Index may also be adjusted in such circumstances as set out in the "Index Adjustment" section in the "General Description of the Index". Further, the Swap may be adjusted if the Index Sponsor defers publication of information relating to the Index. Such adjustments may affect the Net Asset Value.

(o) Liquidity

The Investment Manager on behalf of the Sub-fund will seek to manage the assets such that there is always sufficient liquidity within the Fund's Assets to meet the liquidity being offered to investors. In certain circumstances where the liquidity profile of the Fund's Assets changes the Directors may utilise powers given to them under the Prospectus to manage liquidity requests from investors. This power includes the Anti-Dilution Levy and the gating or suspension of the Fund's liquidity, in extreme cases.

(p) Performance Fee

The Performance Fee payable may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such Performance Fee. Since the Performance Fee will be determined on both net realised and net unrealized gains and losses as at the end of each calculation period, a Performance Fee may be paid reflecting unrealised gains at the end of a month that are not subsequently realized by the Fund. There can be no assurance that the trading strategies employed will be successful.

Investors should also refer to the Prospectus for additional disclosure of risks.

Specific Risks related to the Index

a) Determinations by the Index Sponsor and Index Manager.

The performance of the Fund will depend, inter alia, on the performance of the individual Index Constituents which are determined by the Index Manager following the Index Rules and are not at the discretion or within the responsibility of the Investment Manager.

b) Hedge fund due diligence criteria.

As part of the Index Rules, the Index Manager will apply defined criteria to the hedge funds that shall be eligible to be included in the Index. Although these criteria have been defined by

the Index Manager with the objective to reduce certain risks related to hedge fund investments such as counterparty risk and style drift, there is no guarantee that such objectives will be met. As service providers of each eligible hedge fund are required to be included on a list of providers approved by the Index Manager or its affiliates, the Index may have a high exposure to hedge funds serviced by any single such service provider.

c) Changes to the Index Composition.

The composition of the Index may change from time to time in accordance with the Index Rules. Such changes may have an impact on the Net Asset Value.

d) Adjustments to the Index.

The Index is subject to certain extraordinary events, including, but not limited to, any modification to, or cancellation of, the Index. The Index Sponsor (or any committee appointed in accordance with the Index Rules) may make adjustments to the Index as a result of such circumstances. The Swaps may also be adjusted in such circumstances. Further, any Swap may be adjusted if the Index Sponsor defers publication of information relating to the Index. Such adjustments may affect the Net Asset Value.

e) Back-tested performance.

Any back-testing or similar analysis performed by any person in respect of the Index must be considered illustrative only and may be based on estimates or assumptions not used by the Index Calculation Agent when determining the Index Level. Past performance should not be considered indicative of future performance.

f) Changes to the Index Rules.

The Index Sponsor will (subject as provided in the Index Rules), employ the methodology described in the Index Rules and its application of such methodology shall be conclusive and binding in the absence of manifest error. While the Index Sponsor currently employs the methodology as set out in the Index Rules to recompose and calculate the Index, no assurance can be given that market, regulatory, juridical, financial, fiscal or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any constituent within the Index) will not arise that would, in the view of the Index Sponsor, necessitate a modification or change of such methodology (and in any event in accordance with the requirements of the Central Bank). Subject to the foregoing, the Index Sponsor may amend the Index Rules from time to time in its sole and absolute discretion and such Index Rules may provide for a committee to determine the relevant adjustments to be made to the Index or the Index Constituent currencies. Subject to the foregoing, the Index Sponsor has no obligation to inform any person of such modification or change to the methodology or of an amendment to the Index Rules but the Index Sponsor will publish any material adjustments made to the Index on its website www.culcrossindex.com or any successor thereto. The Index Sponsor will make reasonable efforts to assure that such modifications or changes will result in a methodology that is consistent with the methodology as set out in the Index Rules. Such modification or amendment may affect the Net Asset Value.

g) Matters of interpretation.

The Index Sponsor shall act in good faith and in a commercially reasonable manner. Whilst the Index Rules are intended to be comprehensive, ambiguities may arise. In such circumstances the Index Sponsor (or any committee appointed in accordance with the Index Rules) will resolve such ambiguities in a reasonable manner and, if necessary, amend the Index Rules to reflect such resolution. In addition, the Index Rules may be amended from time to time at the sole and absolute discretion of the Index Sponsor and such amendments may affect the Net Asset Value.

h) Differences between Index Value and the aggregate value of Index hedge funds.

Differences may occur due to the different publication times of the (estimated) net asset values of each target hedge fund and the subsequent time lag necessary to aggregate the net asset values of investment vehicles comprising the Index Constituents for the calculation of the Index Value.

i) Service provider and Index Sponsor concentration risk.

As part of the Index Rules, each Index Constituent is setup and operated in the form of an investment vehicle on a platform sponsored by arrangers potentially affiliated to the Index Sponsor. Each Index Constituent has service providers and counterparties, including prime brokers, swap or option counterparties. Accordingly the Index may be exposed to increased risk of the effects of any failure of the Index Sponsor or service providers in their roles in relation to the Index. There may also be potential risk to investors of errors, fraud or other operational risks which impact the Index, but which may not impact such related hedge funds.

Risks relating to Hedge Funds

(a) Hedge Fund Investment Techniques.

The Index Constituents may utilise investment techniques such as option transactions, margin transactions, short sales and futures and forward contracts and other derivative products which may, in certain circumstances, exacerbate or magnify any losses. Trading in general involves significant market risk, for example, prices may be highly volatile, market movements are difficult to predict and it may not be possible to sell investments at an optimal time or price.

(b) Delegation of control.

Although the Index Manager will analyse the Index Constituents, the Index Manager has no ability or obligation to predict the investments the manager to any such Index Constituent may select, or whether such managers will act in accordance with disclosure documents or descriptive materials furnished by them to the Index Manager.

(c) Illiquid positions.

In some circumstances the investments of the Index Constituents may be relatively illiquid making it difficult to acquire or dispose of them at the published prices. Accordingly, the Index Constituents' ability to respond to market movements may be impaired and the Index Constituents may experience adverse price movements upon liquidation of their investments. Settlement of transactions may be subject to delay and administrative uncertainties. Such relative illiquidity may lead to an Index Constituent suspending, gating or otherwise limiting redemptions and/or suspending net asset value calculations, which may result in a disruption event for the Index.

(d) Market Impact.

The Index Constituents may be adversely affected by a decrease in market liquidity for the instruments in which they invest which may impair their ability to adjust their respective positions. The size of Index Constituents' positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, de-leveraging as a consequence of a decision by the relevant broker or custodian or other counterparties with which the Index Constituent enter into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Index Constituents' respective portfolios. Even though the underlying investments may be listed on one or more exchanges, there can be no certainty that there will be liquidity on any exchange. Trading in underlying investments by the Index Constituents on an exchange may be halted or suspended due to market conditions or for the reason that, in the exchange's view, trading is inadvisable, or otherwise pursuant to the exchange's rules. Additional risk may arise from

third party pricing sources who do not guarantee the accuracy or completeness of any data provided to the hedge funds.

- (e) Increased expenses.
Each of the Index Constituents charge their own fees and expenses, which are in addition to the fees relating to the Fund and the Swaps.
- (f) Lack of Control.
The Index Sponsor and Index Manager will not control the individual investments made by the Index Constituents. The choice of investments and other investment decisions made with respect to any such hedge fund will be totally within the control of such funds' manager. There can be no assurance that such investments will be successful or will not result in substantial losses.
- (g) Commingled Investments.
Investors in commingled funds (i.e. funds with multiple investors) may be impacted by decisions made by other investors, the liquidity of the investment may be impacted by redemptions and subscriptions made by other investors.
- (h) Valuation.
The calculation of the Index will rely on the valuations provided with respect to the Index Constituents. There is no assurance that such valuations will be correct or that such information will be received in a timely manner.
- (i) Concentrated Investments.
Two or more Index Constituents may hold the same investments. Therefore, the Index could be exposed to losses disproportionate to market declines in general, if there are disproportionately greater adverse price movements in those investments.
- (j) Offsetting Investments.
Conversely, two or more Index Constituents may, at times, hold economically offsetting positions. To the extent that funds, in fact, hold such positions, the Index, considered as a whole, may not achieve any gain or loss despite incurring expenses.
- (k) Investment strategies used by funds may fail or change.
Certain economic conditions, such as illiquidity within a market, may cause an investment strategy employed by one or more Index Constituents in which the Index invests to fail and adversely affect the performance of the Index. In addition, such Index Constituents in which the Index may have the ability to modify or change their investment strategies.
- (l) Effect of Performance-Based Compensation to managers to Index Constituents. Managers to an Index Constituent may receive compensation based on the performance of the Index Constituent they manage. Such performance-based compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis which includes unrealised appreciation of a fund or scheme's assets, it may be greater than if such compensation were based solely on realised gains.
- (m) Market disruptions.
There is a risk of market disruptions caused by (without limitation) unexpected political, economic, geographic, military and terrorist events on a global basis causing significant disruptions in global markets. The impact of any such potential events is unclear, but could have a material effect on general economic conditions and market liquidity and accordingly could cause dramatic losses for the Index Constituents.

(n) Hedge Fund Regulation.

The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of the Index Constituents to obtain the leverage they might otherwise obtain or to pursue their investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Index Constituents. The effect of any future regulatory or tax change on Index Constituents is impossible to predict.

Miscellaneous

The Company currently has the following sub-funds approved at this date:

1. Global Alpha Fixed Income Fund,
2. Credit Suisse Global Carry Selector Fund,
3. Credit Suisse FX Factor Fund,
4. Credit Suisse MOVERS Fund,
5. Credit Suisse ALTARI Fund,
6. Schroder Opus Trading Fund,
7. Bond Fund,
8. Credit Suisse GAINS Fund,
9. Credit Suisse Man Crystal Fund,
10. Credit Suisse Global Carry Selector II Fund,
11. Credit Suisse Backwardation Fund,
12. Credit Suisse MLP Index Fund, and
13. Credit Suisse Holt Emerging Markets Equity Fund.

Disclaimers

THE DIRECTORS OF THE COMPANY, AND THE INVESTMENT MANAGER, TOGETHER THE "RESPONSIBLE PARTIES", DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY DESCRIPTION RELATING TO THE INDEX OR STRATEGY OR ANY DATA INCLUDED HEREIN IN RESPECT OF THE INDEX OR STRATEGY DESCRIPTION AND THE RESPONSIBLE PARTIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS HEREIN IN RESPECT OF THE FOREGOING.

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