FundLogic Alternatives p.l.c.

Promoter and Distributor
Morgan Stanley & Co International plc

Supplement dated 18 February 2014
for
MS Turner Spectrum UCITS Fund

This Supplement contains specific information in relation to the **MS Turner Spectrum UCITS Fund** (the "**Sub-Fund"**), a sub-fund of **FundLogic Alternatives p.l.c.** (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 **Turner Investments, L.P.** ("Turner" 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.

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.

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1. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The Sub-Fund's investment objective is to seek long term capital appreciation through a diversified portfolio of long and short positions in global equity and equity related securities.

Investment Policy

The Sub-Fund will seek to achieve its investment objective by taking long and short positions primarily in equities and equity related securities (including, without limitation, common and preferred stock, ADRs and REITs) listed or traded on recognised markets referred to in Appendix II of the Prospectus. The Sub-Fund may also invest in financial derivative instruments ("FDI") including exchange-traded derivatives (as described in more details under ""Information on Financial Derivative Instruments" below), OTC swap transactions, options, forwards, futures, contracts for differences on equities and equity related securities listed or traded on recognised markets referred to in Appendix II of the Prospectus. Moreover, the Sub-Fund may invest in exchange traded funds (ETFs), primarily for hedging purposes and primarily domiciled in the US. No more than 20% of the Net Asset Value of the Sub-Fund will be invested in emerging markets. The Sub-Fund will not take a physical short position.

The Sub-Fund invests its assets in global equities and equity related securities which may be in any sector or industry at the discretion of the Investment Manager.

The Investment Manager makes an allocation of the net assets of the Sub-Fund in equity and equity related securities belonging to various market sectors of the economy. The allocation of Sub-Fund's assets across market sectors aims to generate positive returns with low volatility, and preserve capital in declining markets.

The Investment Manager employs specialists in sectors like the consumer discretionary sector (i.e., companies offering non-essential consumer goods and services), financial services, healthcare, natural resources and infrastructure in order to assist it in building an overall portfolio for the Sub-Fund. In addition, some of the portfolio managers employed by the Investment Manager specialise across market sectors in the global economy.

The Investment Manager monitors the performance of the market sectors on a regular basis and may reallocate the assets of the Sub-Fund between various market sectors based on its expectation of investment returns and risk within the various sectors. Thus, the Sub-Fund may have a net long, a net short or a market neutral exposure to a particular market sector. There is no minimum weighting that will be given by the Investment Manager to any particular market sector or geographic region.

The Sub-Fund employs both long and synthetic short positions (through the use of FDI (as detailed below)) and selects the securities based on assessment of the prospects of the underlying companies by the Investment Manager. The selection is made independent of company size using a combination of quantitative and fundamental research and analysis based on the below investment philosophy. The Sub-Fund operates on the investment philosophy that earnings drive prices of equity for an underlying company. The Sub-Fund takes long positions in companies whose fundamentals support future earnings that are expected to exceed market consensus expectations and short positions in those companies with deteriorating earnings fundamentals.

The FDI in which the Sub-Fund may invest are set out in the "**Investment Process**" and "**Information on Financial Derivative Instruments**" sections below and are in line with the Investment Strategies set out therein.

Investment Process

The investment process is essentially aimed at utilizing the assets of the Sub-Fund in long and short positions in various equity and equity related securities selected by the Investment Manager that may belong to any sector or industry, which may include:

(1) Global Consumer; (2) Global Financial Services; (3) Global Medical Sciences; and (4) Global Resources and Infrastructure.

Based on its monitoring of the performance and expectation of future returns from a market sector, the Investment Manager may invest the Sub-Fund's net assets in different market sectors at different times.

The Investment Manager employs a consistent, disciplined investment process, incorporating multi-disciplinary research and analysis, clear portfolio construction parameters and fully integrated risk management to evaluate the performance of various market sectors.

The "global consumer" equities in which the Sub-Fund may take positions may include stocks of companies engaged in the consumer discretionary sector (ie, companies offering non-essential consumer goods and services) and which generally range from small companies with over $250 million in market capitalization at the time of purchase to larger, established firms (without any limit on their capitalisation) in the consumer discretionary sector.

The "global financial services" equities in which the Sub-Fund may take positions may include stocks of companies engaged in the financial services sector and which generally range from small companies with over $250 million in market capitalization at the time of purchase to larger, established firms (without any limit on their capitalisation) in the financial services industry.

The "global medical sciences" equities in which the Sub-Fund may take positions may include stocks of companies engaged in the health care sector and which generally range from small companies with over $250 million in market capitalization at the time of purchase to larger, established firms (without any limit on their capitalisation) in the health care industry.

The "global resources and infrastructure" equities in which the Sub-Fund may take positions may include stocks of companies in the resource and infrastructure industries and which generally range from small companies with over $100 million in market capitalization at the time of purchase to larger, established firms (without any limit on their capitalisation) in areas such as energy, industrials, and natural resources.

The Investment Manager may invest in securities of companies with any market capitalization range. Such investments may include companies having small or large market capitalizations

The Sub-Fund may utilize equity and equity index options for both investment and hedging purposes. The Sub-Fund will buy and sell securities as described above frequently as part of its Investment Process. As disclosed above, the Sub-Fund may also invest in exchange traded funds ("ETFs") for both investment and hedging purposes.

No more than 20% of the Net Asset Value of the Sub-Fund may be invested in collective investment schemes, including ETFs, which provide exposure to listed and unlisted equities and are consistent with the investment objective of the Sub-Fund.

The Sub-Fund's investment, directly, or indirectly through the use of derivatives, in equity securities listed or traded on markets in Russia referred to in Appendix II of the Prospectus shall not exceed 5% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may, subject to the requirements laid down by the Central Bank, enter into FDI transactions both for investment, hedging and efficient portfolio management purposes. The Sub-Fund can take both long and short positions synthetically through the use of FDIs. All short positions will be taken through the use of FDI. These may include swaps, options, swaptions, futures and options on futures, contracts for differences (CFD) and forward currency exchange contracts. For example: (i) equity swaps and CFDs may be utilised for access to certain issuers and jurisdictions or for investment purposes; (ii) single name and index options may be utilised to hedge out the risk associated with an industry or gain exposure to an issuer or for investment purposes; (iii) index futures on broad based indices may be utilised in order to hedge the equity portion of the portfolio from movements in the general equity market or for investment purposes;

and (iv) options on futures may be utilised to quantify the potential loss from a contract expiring in a loss position or for investment purposes. In addition, for example, FDI may be used to seek to hedge against the risk of adverse currency movements between the Currency Hedged Share Classes 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 calculated daily 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 -35% and the maximum net long exposure will be 100%. The Sub-Fund's gross leverage (being the aggregate of the long and short positions) calculated using the sum of the notionals approach is not generally expected to exceed 300% of the Net Asset Value of the Sub-Fund.

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 only.

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.

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 and currency swaps. A seller receives a fixed rate of income throughout the term of the contract. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. A contract for difference (CFD) is a bilateral contract that allows involved parties to exchange the difference between current market value of an underlying asset and its market value at the inception of the contract. A swaption is a financial instrument granting its owner the right but not the obligation to enter into an underlying swap. 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.

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 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.

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 Turner Investments, L.P. The Investment Manager is a limited partnership under the laws of Pennsylvania having its registered office at 1205 Westlakes Drive, Suite 100, Berwyn, Pennsylvania 19312 USA.

Subject to controls imposed by the Directors under the investment management agreement between the Fund and the Investment Manager dated 14 December 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 Investment Manager is authorised and regulated by the U.S. Securities and Exchange Commission with SEC Registration No. 801-36220. As at 31 December 2013, the Investment Manager had approximately $ 8.4 billion assets under management.

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), wilful default or fraud by itself, its directors, 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 on 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 14 December 2012 (the "**Sub-Custody Agreement**"), the Custodian has appointed Morgan Stanley & Co. International plc ("**MSI plc**") as sub-custodian in relation to the Sub-Fund, subject to the overall supervision of the Custodian, and MSI plc may in such capacity hold certain assets of the Sub-Fund from time to time. MSI plc is a company incorporated with limited liability under the laws of England and Wales whose principal place of business for this 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 ancillary services agreement is not terminated, with MSI plc's written permission or forthwith by notice in writing in certain circumstances such as the insolvency of either party or un-remedied breach of the agreement. The Sub-Custody Agreement provides that the Fund shall indemnify MSI plc pursuant to the terms of the Sub-Custody Agreement, and that MSI plc and its employees and officers will not be liable to the Custodian or the Fund 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 MSI plc or its employees or officers.

7. SERVICE PROVIDER

The Fund has appointed MSI plc (the "**Service Provider"**) to provide certain services to the Fund as Service Provider pursuant to a Services Agreement dated 14 December 2012 in respect of the Sub-Fund (the "**Services Agreement"**).

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.

8. RISK MANAGER

Pursuant to a risk management agreement dated 26 August 2010, 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 Fund or 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.

9. 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 be leveraged through the use of FDI. 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 ratio of long and short investments may vary through time. The maximum net short exposure of the Sub-Fund will generally be -35 % and the maximum net long exposure of the Sub-Fund will generally be 100%. The Sub-Fund's leverage (being the aggregate of the long and short positions) calculated using the sum of the notionals approach is generally not expected to exceed 300% of the Net Asset Value of the Sub-Fund.

10. RISK FACTORS

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

10.2 The following additional risk factors also apply:

Absence of Prior Active Market

The Sub-Fund is new and thus has no operating history. Past performance of the Investment Manager or its affiliates is not indicative of the future performance of the Sub-Fund.

Equity Investment Risk

The Sub-Fund purchases equity securities and hence is subject to the risk that stock prices will fall over short or extended periods of time. Investors can potentially lose all, or a substantial portion, of their investment in the Sub-Fund.

Market Sector Risk

The Sub-Fund may focus its investments from time to time on one or more economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors may have a magnified effect on the Sub-Fund's net asset value and total return.

Dependence on Key Individuals

The success of the Sub-Fund depends upon the ability of the principals of the Investment Manager 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 Risk

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

The GBP and EUR 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.

Investment in Russia

Investment in securities listed on Russian exchanges is subject to heightened risks. Political and economic instability may occur and is likely to have a greater impact on the securities markets and the economy in Russia. Foreign investment is affected by repatriation and currency convertibility. Adverse government policies and taxation laws may also have an impact on the Sub-Fund's investments. The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, the settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.

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.

Performance Fee – No Equalisation

The methodology used in calculating the performance fees in respect of the Class A and I Shares 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.

Health Care Industry related risks

The Sub-Fund is subject to the risks associated with investment in health care-related companies. Many health care-related companies are smaller and less seasoned than companies in other sectors. Health care-related companies may also be strongly affected by scientific or technological developments and their products may quickly become obsolete. Finally, many health care-related companies offer products and services that are subject to governmental regulation and may be adversely affected by changes in governmental policies or laws.

Financial Services Industry related risks

The Sub-Fund is subject to the risks associated with investment in financial services companies. Financial services companies are subject to a variety of factors that may adversely affect their business or operations, including extensive regulation at the federal and/or state level. In addition, profitability of companies in the financial services sector depends heavily on the availability and cost of money and may fluctuate significantly in response to changes in interest rates, as well as changes in general economic conditions. Businesses in the financial services sector often operate with substantial financial leverage.

Natural Resource Industry related risks

The Sub-Fund is subject to the risks associated with investment in resource-related companies. Companies in the natural resource sector may be significantly impacted by worldwide energy prices, limits on exploration and changes to production spending. These companies are also affected by governmental regulation, world events and global economic conditions. Companies in the natural resource sector can also be adversely affected by volatility in the commodities markets, changes in exchange rates, imposition of import controls and increased competition. Additional risks for companies in the natural resource sector may arise from depletion of resources, labor strife or the rise of new technologies. Companies in the natural resource sector may be adversely affected by changes to environmental laws and regulations and may be at risk for environmental damage claims related risks

Infrastructure Industry related risks

The Sub-Fund is subject to the risks associated with investment in infrastructure-related companies. Many infrastructure-related companies are subject to governmental oversight and regulation. This oversight and regulation often imposes earnings caps on the companies and requires increases in the companies' rates to be approved by an oversight agency. Most infrastructure projects are also highly leveraged and can be significantly impacted by changes in interest rates or the availability of debt financing. Additionally, infrastructure companies may subject themselves to foreign exchange risk by seeking debt financing in currencies other than their own. The growth in planned infrastructure development has led to a shortage of qualified project managers and firms. This shortage may cause the Sub-Fund to invest in companies with less experienced managers than would otherwise be the case.

Risk Associated with investment in Small and Medium capitalisation companies

The Sub-Fund is subject to the risk of investment in small and medium capitalization stocks. The smaller and medium capitalization companies in which the Sub-Fund may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small and medium capitalization companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, smaller and medium capitalization stocks may be more volatile than those of larger companies.

REIT related risks

The Sub-Fund may invest in REITs, which pool investors' money for investment in income producing commercial real estate or real estate related loans or interests. A REIT is not taxed on income distributed to its shareholders or unitholders if it complies with regulatory requirements relating to its organization, ownership, assets and income, and with a regulatory requirement that it distribute to its shareholders or unitholders at least 95% of its taxable income for each taxable year.

Generally, REITs can be classified as Equity REITs, Mortgage REITs and Hybrid REITs. Equity REITs invest the majority of their assets directly in real property and derive their income primarily from rents and capital gains from appreciation realized through property sales. Mortgage REITs invest the majority of their assets in real estate mortgages and derive their income primarily from interest payments. Hybrid REITs combine the characteristics of both Equity and Mortgage REITs. A shareholder in Sub-Fund should realize that by investing in REITs indirectly through the Fund, he or she will bear not only his or her proportionate share of the expenses of the Fund, but also indirectly, similar expenses of underlying REITs.

Moreover, the Sub-Fund may be subject to certain risks associated with the direct investments of the REITs. REITs may be affected by changes in their underlying properties and by defaults by borrowers or tenants. Mortgage REITs may be affected by the quality of the credit extended.

Furthermore, REITs are dependent on specialized management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. REITs depend generally on their ability to generate cash flow to make distributions to shareholders or unit holders, and may be subject to defaults by borrowers and to self-liquidations.

11. 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.

12. KEY INFORMATION FOR PURCHASING AND SELLING

Base Currency

USD

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 B 1 USD Shares	**US Dollar**	**No**	**US$1,000**	**US$ 1,000,000**	**1%**	**0%**	**$10,000**	**1,000 Shares**
Class B 1 EUR Shares	**Euro**	**Yes**	**€1,000**	**€ 1,000,000**	**1%**	**0%**	**€10,000**	**1,000 Shares**
Class B1 GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 1,000,000**	**1%**	**0%**	**£10,000**	**1,000 Shares**
Class B 2 USD Shares	**US Dollar**	**No**	**US$1,000**	**US$ 1,000,000**	**1.5%**	**0%**	**$10,000**	**1,000 Shares**
Class B 2 EUR Shares	**Euro**	**Yes**	**€1,000**	**€ 1,000,000**	**1.5%**	**0%**	**€10,000**	**1,000 Shares**
Class B2 GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 1,000,000**	**1.5%**	**0%**	**£10,000**	**1,000 Shares**
Class I USD Shares	**US Dollar**	**No**	**US$1,000**	**US$ 1,000,000**	**1.5%**	**10%**	**$10,000**	**1,000 Shares**
Class I EUR Shares	**Euro**	**Yes**	**€1,000**	**€1,000,000**	**1.5%**	**10%**	**€10,000**	**1,000 Shares**
Class I GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 1,000,000**	**1.5%**	**10%**	**£10,000**	**1,000 Shares**

Class P USD Shares	**US Dollar**	**No**	**US$1,000**	**US$ 250,000**	**1.5%**	**10%**	**$10,000**	**250 Shares**
Class P EUR Shares	**Euro**	**Yes**	**€1,000**	**€250,000**	**1.5%**	**10%**	**€10,000**	**250 Shares**
Class P GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 250,000**	**1.5%**	**10%**	**£10,000**	**250 Shares**
Class A USD Shares	**US Dollar**	**No**	**US$1,000**	**US$ 10,000**	**2.5%**	**10%**	**$1,000**	**N/A**
Class A EUR Shares	**Euro**	**Yes**	**€1,000**	**€10,000**	**2.5%**	**10%**	**€1,000**	**N/A**
Class A GBP Shares	**Pound Sterling**	**Yes**	**£1,000**	**£ 10,000**	**2.5%**	**10%**	**£1,000**	**N/A**

The limits set out above may be raised, lowered or waived at the discretion of the Directors. Shareholders will be notified in advance 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.

The Class B1 Shares and the 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 until the net assets of the Sub-Fund reach USD 20 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. The Class B2 Shares will only be available for subscription until the net assets of the Sub-Fund reach USD 70 million, or such other amount as may be determined by the Directors from time to time in their absolute discretion. 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.

The GBP and EUR 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. Such transactions will be allocated solely to the relevant Currency Hedged Share Class. Therefore, currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Share Classes. Investors in GBP and EUR 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

The Initial Offer Period for all Share Classes (save for the Class B1 EUR Shares and the Class B2 EUR Shares) is from 9.00 a.m. (Irish time) on 17 December 2012 until 5:30 p.m. (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 Class B1 EUR Shares and the Class B2 EUR Shares are issued at their Net Asset Value per Share on each Dealing Day.

Business Day

Every day (except legal public holidays in the United Kingdom or Ireland or days on which the stock markets in London are 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.

Dealing Day

Every Business Day, 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 of the markets relevant to the underlying assets to which the FDIs relate 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.

13. CHARGES AND EXPENSES

Initial, Exchange and Repurchase Charges

With respect to Class A GBP Shares, Class A USD Shares and Class A EUR Shares, the Sub-Fund may on any Dealing Day require a Shareholder to pay an initial charge of up to 5% of the issue price of such Shares on that Dealing Day. 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.

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:

2.5% per Class A GBP Share, Class A USD Share and Class A EUR Share (collectively, the "**Class A Shares**");

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**");

1% per Class B1 GBP Share, Class B1 USD Share and Class B1 EUR Share (collectively, the "**Class B1 Shares**")

1.5% per Class B2 GBP Share, Class B2 USD Share and Class B2 EUR Share (collectively, the "**Class B2 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 10% in respect of the Class A Shares, Class P Shares and the Class I Shares of the net appreciation in the Net Asset Value of each Class (before deduction of any unrealised accrued Performance Fee but after accrual for all other fees and expenses payable) calculated every twelve months to the end of December of each calendar year, each such period being a "Calculation Period".

No Performance Fee is payable in respect of the Class B1 and Class B2 Shares.

"Performance Fee Payment Date" shall mean the date at which the Performance Fee crystallised during a Calculation Period is paid. The Performance Fee Payment Date will be within 14 calendar days of the relevant Calculation Period.

For the first Calculation Period, which shall be from the close of the relevant initial offer period to 31 December 2012, the "High Water Mark Net Asset Value" shall mean the Net Asset Value per Share at which the relevant Share Class was launched multiplied by the number of Shares of such Share Class in issue at the launch of the relevant Share Class. The relevant Initial Issue Price will be taken as the starting price for the calculation of the initial Performance Fee for a share class.

During each Calculation Period the High Water Mark Net Asset Value for a Share Class is increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place during such Calculation Period in an amount equal to the percentage which such subscriptions or redemptions represent of the Net Asset Value of the Class on the relevant Dealing Day (ie, if a subscription is received which is equal to 10% of the Net Asset

Value, then the High Water Mark Net Asset Value will be increased by 10% or if a redemption equal to 5% of the Net Asset Value is accepted, the High Water Mark Net Asset Value will be reduced by 5%).

For each subsequent Calculation Period for a Share Class the "High Water Mark Net Asset Value" means either (i) where a Performance Fee was payable in respect of the prior Calculation Period, the Net Asset Value per Share of the relevant Share Class at the beginning of the Calculation Period multiplied by the number of Shares of such Share Class in issue at the beginning of such Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period; or (ii) where no Performance Fee was payable in respect of the prior Calculation Period, the High Water Mark Net Asset Value of the relevant Share Class at the end of the prior Calculation Period, increased or decreased on each Dealing Day with respect to any subscriptions or redemptions of Shares which have taken place since the beginning of such Calculation Period.

The Performance Fee shall be equal to 10% in respect of the Class A Shares, the Class P Shares and the Class I Shares of the amount by which the Net Asset Value exceeds the High Water Mark Net Asset Value as at the end of the relevant Calculation Period, plus any Performance Fee accrued in respect of any Shares which were redeemed during the Calculation Period.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fees accrued for the Share Class in respect of any Shares which were redeemed during the Calculation Period but not yet paid.

No Performance Fee may be accrued until the Net Asset Value of a Share Class exceeds the High Water Mark Net Asset Value on which the performance fee was paid. Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

The Performance Fee is accrued on each Dealing Day on the basis of the performance of the Net Asset Value of the Share Class in question during the relevant Calculation Period. If applicable, Performance Fees are deducted from the Sub-Fund attributable to the Class in question, and paid on or before the Performance Fee Payment Date to the Investment Manager.

If a Shareholder redeems all or part of their Shares before the end of the Calculation Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager within 14 calendar days of the end of each Calculation Period. When a Performance Fee is crystallised on a redemption of Shares prior to the end of a Calculation Period, it will not be reimbursed to the Sub-Fund despite any poor performance that the Sub-Fund may suffer from the date of such redemption to the end of the relevant Calculation Period.

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

The Performance Fee is calculated by the Administrator and verified by the Custodian.

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 provided 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.

Fees Payable to the Service Provider

The Fund will pay to the Service Provider from the assets attributable to each class of Shares of the Sub-Fund such fees as may be agreed between the parties in writing and be amended upon reasonable notice. These fees are in addition to transaction charges and related fees, charges and costs payable to the Service Provider in relation to the execution of transactions, the failure of transactions to clear, costs in relation to the exercise of any corporate action or voting rights by the Service Provider on behalf of the Fund and any associated fees, charges or costs. The various fees, transaction charges and costs outlined above will not exceed normal commercial rates.

Ongoing Charges and Expenses

The additional charges and expenses specified in the section entitled **Ongoing Charges and Expenses** in the Prospectus will, save in 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.

14. 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.

15. 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.

16. 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.

17. ESTABLISHMENT CHARGES AND EXPENSES

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

18. 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.**

19. 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 SLJ Macro UCITS Fund, MS QTI 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.

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 Fund 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 of, 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 Fund or its agents or as a result of the failure by the Fund 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 Fund 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 Fund 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 Fund 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 Fund transfers to the Service Provider will, subject to the terms of the 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 Fund to perform of any or all of its respective obligations thereunder.