Prospectus

Polar Capital Funds plc

Please note that the JAPAN FUND (a Fund of Polar Capital Funds public limited company)
SUPPLEMENT DATED 22nd JANUARY, 2013
has been revised and replaced in its entirety with the Supplement dated 21st March 2013,
which is attached at the end of this document.
The Directors of the Company, whose names appear under the heading “Management and Administration” are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. 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 document is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

POLAR CAPITAL FUNDS
PUBLIC LIMITED COMPANY

(An umbrella type open-ended investment company with variable capital and segregated liability between funds, incorporated with limited liability under the laws of Ireland with registered number 348391. The Company is authorised in Ireland as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. Number 352 of 2011)

PROSPECTUS

DATED 22nd JANUARY, 2013

PROMOTER & INVESTMENT MANAGER

Polar Capital LLP
This Prospectus comprises information relating to the Company, an open-ended investment company with variable capital organised under the laws of Ireland. It qualifies and is authorised in Ireland by the Central Bank as a UCITS for the purposes of the UCITS Regulations. The Company is structured as an umbrella fund consisting of a number of different Funds each Fund representing a single portfolio of assets, with segregated liability between Funds. Each Fund may have more than one share class allocated to it. The creation of any Fund will require the prior approval of the Central Bank.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. If there is more than one share class in any Fund, details relating to the different classes may be dealt with in the same Supplement or in separate Supplements for each class. This Prospectus and the relevant Supplement should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the latest published audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report. These reports will form part of this Prospectus.

In relation to each class of Shares, issued or to be issued from the date of this Prospectus, an application may be made to The Irish Stock Exchange for those Shares to be admitted to the Official List and the Main Securities Market of The Irish Stock Exchange. Neither the admission of the relevant class of Shares to the Official List and the Main Securities Market nor the approval of this Prospectus and the relevant Supplement pursuant to the listing requirements of The Irish Stock Exchange shall constitute a warranty or representation by The Irish Stock Exchange as to the competence of the service providers to or any party connected with the Company, the adequacy of information contained in this Prospectus or in the relevant Supplement or the suitability of the Company for investment purposes.

The Company is both authorised and supervised by the Central Bank. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus. The authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus, any Supplement
and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus or the relevant Supplement.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

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

Potential investors should inform themselves as to:

(a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for the acquisition of Shares;

(b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and

(c) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

The Company is a regulated collective investment scheme pursuant to section 264 of the Financial Services and Markets Act 2000 (“FSMA”) and accordingly may be promoted direct to the public within the United Kingdom through the use of this document and otherwise as permitted by that Act.

The Shares have not been, and will not be, registered under the 1933 Act (see “Definitions”) or the securities laws of any of the states of the United States and the Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person (see “Definitions”), except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law. In the absence of such exemption or transaction, each applicant for Shares will be required to certify that it is not a US Person.

The Directors do not intend to permit Shares to be acquired or held by investors which would cause the Company to suffer any adverse tax or regulatory consequences or which would cause or be likely to cause the assets of the Company to be considered “plan assets” within the meaning of the regulations adopted under ERISA, or whose holding would result in any of the Funds’ having more than 300 beneficial owners of Shares (whether directly or by attribution) who are U.S. persons (within the meaning of Section 902(k) of Regulation S promulgated under the Securities Act).
The Company is making a private placement of Shares to a limited number of U.S. investors that are (a) "accredited investors" within the meaning of Rule 501 (a)(1), (2), (3), (4), (5), (6) or (7) of Regulation D promulgated under the Securities Act, and "qualified purchasers" within the meaning of Section 2(a)(51) of the 1940 Act.

The Investment Manager may be deemed to be a commodity pool operator under the rules of the U.S. Commodity Futures Trading Commission. The Investment Manager believes that it will be exempt from the requirement to register as a commodity pool operator, because (1) Shares are exempt from registration under the 1933 Act and are offered to and sold in the United States without marketing to the public; and (2) the Investment Manager is restricting investments in the Funds to persons who are qualified eligible persons under Rule 4.7 and/or Rule 4.7(A)(2) promulgated by the Commission and are accredited investors. As a result of this exemption, the Company's Investment Manager will not be required by the Commission to deliver a disclosure document or a certified annual report to investors in the Funds.

Where the Company becomes aware that any Shares are directly or beneficially owned by any person in breach of the above restrictions, the Company may direct the Shareholder to transfer his Shares to a person qualified to own such Shares or to request the Company to redeem Shares, in default of which, the Shareholder shall, on the expiration of 30 days from the giving of such notice, be deemed to have given a request in writing for the redemption of the Shares.

It is intended that application may be made in other jurisdictions to enable the Shares of the Company to be marketed freely in these jurisdictions.

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus/Supplement. To the extent that there is any inconsistency between the English language Prospectus/Supplement and the Prospectus/Supplement in another language, the English language Prospectus/Supplement will prevail, except to the extent (but only to the extent) that it is required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the prospectus/supplement on which such action is based shall prevail. In the Federal Republic of Germany, Austria and Switzerland, the aforementioned exception applies, therefore the German/French Language version of the Prospectus/Supplement, as the case may be, shall prevail.

Investors should read and consider the risk discussion under “The Company – Risk Factors” and the “Risk Factors” section in the relevant Supplement before investing in the Company.
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DEFINITIONS

“Administrator” Northern Trust International Fund Administration Services (Ireland) Limited, and/or such other person as may be appointed, with the prior approval of the Central Bank, to provide administration services to the Funds, or any of them.

“Auditors” KPMG, Chartered Accountants, Dublin.

“Articles” the Articles of Association of the Company, as amended from time to time.

“Business Day” in relation to a Fund, such day or days as the Directors may from time to time determine (see relevant Supplement).

“Central Bank” the Central Bank of Ireland.

“Central Bank’s Notices” the notices issued by the Central Bank in exercise of its powers under the Regulations.

“CHF” the lawful currency of Switzerland.

“Company” Polar Capital Funds public limited company.

“Custodian” Northern Trust Fiduciary Services (Ireland) Limited or such other person as may be appointed, with the prior approval of the Central Bank, to act as custodian to the Company.

“Dealing Day” In relation to a Fund, such Business Day or Business Days as shall be specified in the relevant Supplement for that Fund and determined by the Directors from time to time, provided always that there shall be at least two Dealing Days in each calendar month.

“Directors” the directors of the Company or any duly authorised committee thereof.

“Duties and Charges” in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, interest, custodian or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties, costs and charges whether in connection with the original acquisition, increase or decrease of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the sale or purchase of Investments but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.

“Fund” a fund of assets established (with the prior approval of the Central Bank) for one or more classes of Shares which is invested in accordance with the investment objectives applicable to such fund.

“FATF” Financial Action Task Force, an OECD sponsored body, comprising an independent group of countries and regions set up to counteract money laundering on a global basis.

“Global Distributor” Polar Capital LLP.

“Global Distribution Agreement” the Global Distribution Agreement dated 1st July, 2009 between the Company and the Global Distributor.

“Investment” any investment authorised by the Memorandum of Association of the Company which is permitted by the Regulations and the Articles.

“Investment Manager” Polar Capital LLP and/or such other person as may be appointed, in accordance with the requirements of the Central Bank Notices, to provide investment management services to the Funds, or any of them.

“Investment Management Agreement” the Investment Management Agreement dated 10th October, 2001 as novated and amended between the Company and the Investment Manager.

“Japanese Yen” the lawful currency of Japan.

“Member State” a member state of the European Union (“EU”).

“Minimum Holding” a holding of Shares of any share class having an aggregate value of such minimum amount as may be set out in the relevant Supplement.

“Minimum Subscription” a minimum subscription (whether initial or subsequent) for Shares of any class as may be set out in the relevant Supplement.

“NASD” the U.S. National Association of Securities Dealers, Inc.

“Net Asset Value” the Net Asset Value of a Fund determined in accordance with the Articles.

“Net Asset Value Per Share” the Net Asset Value divided by the number of Shares of the relevant Fund. Where there is more than one class of Shares per Fund, the Net Asset Value per Share per class will be the Net Asset Value per Share attributable to each class divided by the number Shares in issue in that
class.

“Promoter” Polar Capital LLP or such other person as may be approved from time to time as promoter of the Company, in accordance with the requirements of the Central Bank.

“Qualified Holder” any person, corporation or entity other than (i) a US person which is not a Qualified US Person; (ii) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it or who might expose the Company to adverse tax or regulatory consequences (iii) a custodian, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above.

“Qualified US Person” a US Person who has acquired Shares with the consent of the Directors.

“Regulated Markets” the stock exchanges and/or regulated markets listed in Appendix I.

“Regulations” the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) and any notices issued by the Central Bank pursuant thereto.

“Restricted Person” a Restricted Person as defined in the rule of NASD.

“Share” a share of no par value in the Company designated as a participating share.

“Shareholder” the registered holder of a Share.

“Subscriber Shares” shares of US$1 each in the capital of the Company designated as “Subscriber Shares” in the Articles and subscribed by or on behalf of the Investment Manager for the purposes of incorporating the Company.

“Sterling or Stg£” the lawful currency of the United Kingdom.


“UCITS” means an undertaking for collective investment in transferable securities, the sole object of which is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 4(3) of the Regulations, of capital raised from the public, which operates on the principle of risk spreading, and the shares or units of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of the undertaking’s assets.
“United Kingdom” the United Kingdom of Great Britain and Northern Ireland.

“United States” and “US” the United States of America, its territories, possessions, any State of the United States and the District of Columbia.

“US Dollars and US$” the lawful currency of the United States

“US Person” subject to such applicable law and to such changes as the Company shall notify to applicants for or transferees of Shares; a national or resident of the United States (including any corporation, partnership or other entity created or organised in, or under the laws of the United States or any political subdivision thereof), or any estate or trust, other than an estate or trust the income of which from sources outside the United States (which is not effectively connected with the conduct of a trade or business within the United States) is not included in gross income for the purpose of computing United States federal income tax, provided, however, that the term “US Person” shall not include a branch or agency engaged in the banking or insurance business and not solely for the purpose of investing in securities under the 1933 Act.

“Valuation Point” such time and day as the Directors may from time to time determine, with approval of the Administrator, in relation to the valuation of the assets and liabilities of a Fund (see relevant Supplement).

“1933 Act” the United States Securities Act of 1933, as amended.

“1940 Act” the United States Investment Company Act of 1940, as amended.
## DIRECTORY

<table>
<thead>
<tr>
<th><strong>Directors</strong></th>
<th><strong>Registered Office and Business Address</strong></th>
<th><strong>Promoter, Investment Manager and Global Distributor</strong></th>
</tr>
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<tbody>
<tr>
<td>James Cayzer-Colvin</td>
<td>George’s Court 54-62 Townsend Street Dublin 2 Ireland</td>
<td>Polar Capital LLP 4 Matthew Parker Street London SW1H 9NP England</td>
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<td>David Hammond</td>
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<td>David Astor</td>
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<td>Ronan Daly</td>
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<td>Robert Bovet</td>
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<td>Charles Scott</td>
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<tr>
<th><strong>Custodian</strong></th>
<th><strong>Administrator, Registrar and Transfer Agent and Secretary</strong></th>
<th><strong>Sponsoring Broker</strong></th>
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<tbody>
<tr>
<td>Northern Trust Fiduciary Services (Ireland) Limited</td>
<td>Northern Trust International Fund Administration Services (Ireland) Limited 54-62 Townsend Street Dublin 2 Ireland</td>
<td>Davy Stockbrokers Davy House 49 Dawson Street Dublin 2 Ireland</td>
</tr>
<tr>
<td>George’s Court 54-62 Townsend Street Dublin 2 Ireland</td>
<td>George’s Court 54-62 Townsend Street Dublin 2 Ireland</td>
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<tr>
<th><strong>Auditors</strong></th>
<th><strong>Legal Advisers to the Company as to Irish law</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>KPMG Chartered Accountants 5 George’s Dock International Financial Services Centre Dublin 1 Ireland</td>
<td>Dillon Eustace 33 Sir John Rogerson’s Quay Dublin 2 Ireland</td>
</tr>
</tbody>
</table>
POLAR CAPITAL FUNDS PUBLIC LIMITED COMPANY

INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland. The Company has been authorised by the Central Bank as a UCITS within the meaning of the Regulations.

The Company is structured as an umbrella fund in that different Funds thereof may be established with the prior approval of the Central Bank. In addition, each Fund represents a single portfolio of assets, with segregated liability between Funds. The Shares allocated to a Fund will rank pari passu with each other in all respects except as to all or any of the following:

- currency of denomination of the class;
- dividend policy;
- the level of fees and expenses to be charged; and
- the Minimum Subscription and Minimum Holding applicable.

The assets of each Fund will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to each such Fund.

The base currency of each Fund will be determined by the Directors and will be set out in the relevant Supplement.

INVESTMENT OBJECTIVES AND POLICIES

General

The specific investment objectives and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund and set out in the relevant Supplement.

The stock exchanges and markets in which the Funds may invest are set out in Appendix I. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

The investment objectives and policies for any Fund will, in the absence of unforeseen circumstances, be adhered to for at least three years following the date of admission of the initial class of Shares in a Fund to listing on the Official List and the Main Securities Market of The Irish Stock Exchange and any change during this period will be subject to the prior approval in writing of a majority of the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Any alteration to the investment objectives of any Fund at any time will be subject to similar prior approval of the Shareholders of such Fund. Shareholders will be given two weeks advance notice of the implementation of any alteration in the
investment objectives or policies in a Fund to enable them to redeem their Shares prior to such implementation.

Financial Derivative Instruments and Techniques for Efficient Portfolio Management

The Investment Manager may use financial derivative instruments and techniques for efficient portfolio management for each Fund in accordance with the requirements of the Central Bank set out below under “Investment and Borrowing Restrictions”.

Financial derivative instruments used by the Investment Manager may include, but will not be limited to futures, forwards, options (both writing and purchasing), swaps and contracts for differences, and will include both exchange traded and over the counter derivative instruments. The assets or indices underlying such instruments may consist of any one or more of the following: transferable securities, money market instruments, other collective investment schemes, financial indices, interest and foreign exchange rates and currencies.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Company in relation to its use of derivatives, which is intended to ensure that each Fund’s exposure created through the use of financial derivative instruments remains within the limits described below. This risk management process will also take into account any exposure created through derivatives embedded in transferable securities which the Investment Manager may acquire for a Fund in accordance with its investment objective and policies.

The risk management process is described in a statement, a copy of which has been filed with the Central Bank in accordance with its requirements, and will be updated from time to time to include any additional financial derivative instruments which the Investment Manager proposes to employ on behalf of the Funds. Until such time as the risk management statement has been updated, however, the Investment Manager will not use any financial derivative instrument which is not for the time being included in the risk management statement.

Information on financial derivatives used for each Fund will be included in the Company’s semi-annual and annual reports and accounts. The Company will also provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of each Fund.

Financial derivative instruments may be used by the Investment Manager either for investment or efficient portfolio management purposes as indicated in the relevant Supplement. The use of such instruments is intended to provide the Investment Manager with additional tools for managing risk and for efficient investment, which should in turn contribute to a better risk-return profile for each Fund. Examples of the way in which they may be used, which should not be taken as being exhaustive, include:
Futures

The Investment Manager may enter into single stock and index futures contracts to hedge against changes in the values of equity securities held by each Fund or markets to which each Fund is exposed or to hedge against currency and interest rate risk.

The Investment Manager may also use futures contracts to equitise cash or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Funds.

The Investment Manager may also use futures contracts where indicated in the relevant Supplement to take a directional view on particular securities or markets within the Fund’s investment universe where, in the Investment Manager’s view, those securities or markets are overpriced or likely to enter into a downward phase of the investment cycle.

Forwards

Currency forwards may be used to hedge the currency exposures of securities denominated in a currency other than the base currency of the relevant Fund and to hedge against other changes in interest and currency rates which may have an impact on a Fund.

Options

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency and interest rate risk and the Investment Manager may write put options and covered call options to generate additional revenues for the Fund. The Investment Manager will not write uncovered call options.

Swaps

Total return swap agreements may be used to gain exposure to particular securities or markets in instances where it is not possible or not economic to do so through the underlying security or a futures contract. Swaps may also be used to hedge against currency and interest rate risk.

Contracts for Differences

Contracts for differences may be used either as a substitute for direct investment in the underlying equity security or as an alternative to and for the same purposes as futures and options, particularly in cases where there is no futures contract available in relation to a specific security, or where an option or index future represents an inefficient method of gaining exposure because of pricing risk or the risk of delta or beta mismatches.
INVESTMENT AND BORROWING RESTRICTIONS

Investment of the assets of each Fund must comply with the Regulations. A detailed statement of the general investment and borrowing restrictions applicable to all Funds is set out in Appendix II. The Directors may impose further restrictions in respect of any Fund. Details will be set out in the relevant Supplement.

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

The Company will not take legal or management control of any of the entities in which its underlying investments are made.

It is intended that the Company should, subject to compliance with any applicable restrictions which are imposed by The Irish Stock Exchange, and subject to the prior approval of the Central Bank, have power to avail itself of any change in the investment restrictions laid down in the Regulations which would permit investment by the Company in securities, derivative instruments or in any other form of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations.

New Issues

The Company may from time to time purchase securities that are part of an initial public offering in the U.S. (“new issues”). The applicable rules of NASD provide that NASD brokers may not sell such securities to an account in which a “Restricted Person” has an interest. “Restricted Person” is defined in the rules of NASD to include NASD brokers, persons affiliated with NASD brokers and certain relatives of such persons. For this reason, applicants for Shares will be required, in the Application Form, to warrant that they are not a Restricted Person or that they are an ‘Exempted Entity’ as defined in the rules of NASD and to undertake to notify the Company if they ever become a Restricted Person.

DIVIDEND POLICY

Details of the dividend policy applicable to each Fund will be set out in the relevant Supplement.
RISK FACTORS

General

Potential investors should consider the following risk factors before investing in the Company. Additional risk factors for the various Funds are set out in the relevant Supplements.

1. A prospective investor should be aware that Investments are subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of Investments will occur or that the investment objectives of any Fund will actually be achieved. The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. The difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

2. Depending on the currency of denomination of the class of Shares held by an investor or an investor’s currency of reference, currency fluctuations between the Share class currency, the investor’s currency of reference, the base currency of the relevant Fund and the currencies in which the assets of that Fund are denominated may adversely affect the value of an investment in the Fund.

3. Prospective investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see under the heading “Temporary Suspensions” in this Prospectus).

4. A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. In the event of a bankruptcy or other default, the relevant Fund could experience both delays in liquidating the underlying securities and losses including a possible decline in value of the underlying securities during the period when the relevant Fund seeks to enforce its rights thereto. This will have the effect of reducing levels of capital and income in the Fund and lack of access to income during this period together with the expense of enforcing the Fund’s rights.

5. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Company’s ability to respond to market movements may be impaired and the Company may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

6. A listing on The Irish Stock Exchange will not necessarily provide liquidity to investors.

7. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please see the heading “Taxation” below.
In addition:

**Identity of Beneficial Ownership and Withholding on Certain Payments**

In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Company may be required to enter into an agreement with the U.S. Internal Revenue Service (the “Service”) by June 30, 2013 identifying certain direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor in the Company will generally be required to provide to the Company information which identifies its direct and indirect U.S. ownership. Any such information provided to the Company will be shared with the Service. A non-U.S. investor that is a “foreign financial institution” within the meaning of Section 1471(d)(4) of the IRC (as defined hereinafter in “Taxation”) will generally be required to enter into an agreement with the Service by June 30, 2013 identifying certain direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Company 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 U.S. investments of the Company and the Board of Directors may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of this legislation on their investment in the Company.

**Emerging Markets**

Where a Fund invests in equities or securities of companies incorporated in or whose principal operations are in emerging markets, significant additional risks may be encountered.

These include:

1. **Currency Risk**: the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

2. **Country Risk**: the value of the Fund’s assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied and may be subject to sudden and arbitrary change.

3. **Market Characteristics**: emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated and may be more subject to fraud or other irregularities. Settlement of transactions may be subject to delay and administrative uncertainties.

4. **Custody Risk**: custodians are not able to offer the level of service and safe-keeping, settlement and administrative of securities that is customary in more developed markets and there is a risk
that the Company will not be recognised as the owner of securities held on its behalf by a sub-custodian.

5. Disclosure: less complete and reliable financial and other information may be available to investors.

Financial Derivative Instruments

The use of Financial Derivative Instruments for a Fund may expose the Fund to a number of specific risks, depending on the nature of the individual transaction, such as the following:

Correlation

Derivatives prices may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded derivatives may also be subject to changes in price due to supply and demand factors.

Loss of Favourable Performance

The use of derivatives to hedge or protect against market risk or to generate additional revenue by writing covered call options may reduce the opportunity to benefit from favourable market movements.

Counterparty exposure and legal risk

The use of OTC derivatives, such as forward contracts, swap agreements and contracts for differences, will expose the Fund to credit risk with respect to the counterparty involved and the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. Measures taken to minimise counterparty and legal risk are detailed below.

Liquidity

Futures positions may be illiquid or difficult to close out because of limits imposed by the relevant exchange on daily price movements. OTC positions are, by definition, illiquid, but the Investment Manager will only enter into OTC transactions with counterparties which are contractually obliged to close out a position on request.

Margin

The Company will be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for each Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The Investment Manager will seek to minimise this risk by trading only through high quality names.
Market risk

When the Investment Manager purchases a security or an option, the risk of the Fund is limited to the loss of its investment. In the case of a transaction involving futures, forwards, swaps, contracts for differences or writing options, the Fund’s liability may be potentially unlimited until the position is closed.

Currency Hedging

Currency hedging, which may be undertaken using derivatives, may protect a Fund from adverse currency movements, but may also release or eliminate the benefit of favourable currency movements. These can also be no guarantee that a decision to hedge any currency exposure will be effective or that the Investment Manager will exercise its discretion to hedge any particular currency exposure. In addition, it may be difficult to effectively hedge exposures in certain currencies either at a reasonable cost or on a practical basis.

Foreign Account Tax Compliance

The foreign account tax compliance provisions (“FATCA”) of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of US person’s direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments have recently signed an intergovernmental agreement with respect to the implementation of FATCA (see section entitled “Compliance with US reporting and withholding requirements” for further detail).

Prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Company.
MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the overall investment policy of the Company. The Directors have delegated certain of their duties to the Investment Manager and the Administrator.

The Directors

The Company shall be managed and its affairs supervised by the Directors whose details are set out below. The Directors are all non-executive directors of the Company.

Mr. James Cayzer-Colvin joined the Caledonia group in 1995, initially working at its Amber speciality chemicals subsidiary before becoming an investment executive at Caledonia in 1999. He was appointed an associate director in 2002 and a director in 2005. He is a non-executive director of Celerant, Close Brothers, Eddington Capital Management, Ermitage, India Capital Growth Fund and Polar Capital Holdings.

Mr. David Hammond is Managing Director of Bridge Consulting Limited. Mr. Hammond has over 19 years experience in the fund management industry, having formerly been employed as Chief Operating Officer of Sanlam Asset Management (Ireland) Limited, part of the Sanlam group of South Africa, and as a Director of Legal and Business Development with International Fund Managers (Ireland) Limited, the Irish fund administration subsidiary of Baring Asset Management which is now part of Northern Trust. Mr. Hammond is a CFA Charterholder and a solicitor and holds a law degree from Trinity College Dublin and an MBA from Smurfit Graduate School of Business, University College Dublin.

Mr. Ronan Daly a resident of Ireland, is a non-executive director of a number of investment funds. Mr Daly qualified as a solicitor in England and Wales in 1991 and qualified as a Barrister and Attorney in Bermuda in 1995. From 1994 to 2008, he held senior roles at Citi Hedge Fund Services, BISYS, Hemisphere Management and The Bank of Bermuda Limited. Mr Daly was educated at The University of Manchester and The College of Law, London. He worked at London law firm, Berwin Leighton, from 1989 to 1993. Mr Daly has spoken at many conferences and written extensively on the funds industry. He was involved in the IOSCO report on Principles for the Valuation of Hedge Fund Portfolios and the AIMA Guides on Sound Practices for Hedge Fund Valuations and for Offshore Alternative Fund Directors.

Mr. David Astor is currently the Chief Investment Officer of Hiscox Limited where he has worked since October 2002. Prior to October 2002, Mr Astor worked at Eldon Capital Management from January 1993 as an Equity Fund Manager with primary responsibility for the FPK US Financial Fund and secondary involvement in the FPK European and FPK Far Eastern Financial Fund. When the fund management business of Eldon Capital Management was sold to Hiscox Limited in October 2002 Mr Astor continued as Fund Manager of these funds. In October 2005 he assumed the role of Chief Investment Officer of Hiscox Limited where he is responsible for overseeing the management of approximately £3bn of assets. In December 2007 the fund management business of Hiscox Limited was sold to HIM Capital and Mr Astor concluded his role as Fund Manager. Mr Astor began his career in financial services at Kleinwort Benson in 1982.
Mr. Robert Bovet, Charterhouse 1956-1961, obtained a Licence en Droit from the University of Geneva in 1964 and passed the "Examen Approfondi de Doctorat" in international public law in 1965. Prior to moving to the USA in 1966, he attended Citibank's trainee program in Geneva. In 1968, he graduated with an MBA in finance from The Wharton School of the University of Pennsylvania. He joined Dillon, Read & Co, New York the same year to work on corporate finance and advisory projects for governmental and corporate entities in the Americas, Europe and the Middle East, becoming vice-president in 1974. In 1976, he was named deputy chief executive of the Banque Scandinave en Suisse, Geneva, where he developed the bank's public issue, private placement and credit syndication activities. In 1979, he established an independent hedge fund advisory and delegated management business based in Switzerland. As well as being chairman of the Company, he is also the chairman of Polar Capital LLC's UCITS and hedge funds, the chairman and director of most of the hedge funds managed by Gartmore Investment Limited, a director of Ratio's European and European Opportunities funds and a Member of the Investment Committee of Cerebrus Capital Management's offshore distressed loan funds. He is a shareholder of Optima Group Holdings and a member of its advisory board.

Mr Charles Scott started his career in investment banking with Wood Gundy in 1979, and joined Morgan Stanley in 1985. At Morgan Stanley, he held several senior management positions, including Head of Equity Sales in Europe, Director of European Research and Chief Operating Officer for Morgan Stanley's Firmwide business in the UK. Charles was a founding Trustee and Chairman of the Morgan Stanley International Foundation, and represented the Firm on several industry bodies. He retired from Morgan Stanley in 2007. Charles is also a Director of Vantage Investment Advisory Limited and Sao Hill Agriculture Limited. He holds an MA in Jurisprudence from Oxford University.

The Promoter and Investment Manager

The Company has appointed Polar Capital LLP, the promoter of the Company, as its investment manager pursuant to the Investment Management Agreement dated 11 October 2001 as novated by a Novation Agreement dated 28 October, 2005 between the Company, Polar Capital Partners Limited and the Investment Manager. The Investment Manager will be responsible for the management of the investment of the assets of the Company, subject always to the supervision and direction of the Directors.

The Investment Manager is an English limited liability partnership established as a joint venture between its management team and Caledonia Investments plc to provide fund management services to investors who wish to access the fund management expertise of the Investment Manager.

The Investment Manager is regulated in the conduct of its investment business by the Financial Services Authority and is also registered as an investment adviser with the Securities and Exchange Commission in the United States. As at 30 November, 2012 the Investment Manager had in excess of $5.3bn under management in various collective investment vehicles.

The Investment Manager may, with consent of the Company and in accordance with the requirements of the Central Bank Notices, appoint one or more investment adviser(s) to whom it may delegate all or part of the day to day conduct of its investment management responsibilities in respect of any Fund.
If more than one investment adviser is appointed to a Fund, the Investment Manager shall allocate the assets of the Fund between the investment advisers in such proportions as it shall, at its discretion, determine.

**The Administrator, Registrar and Transfer Agent**

The Company has appointed Northern Trust International Fund Administration Services (Ireland) Limited as administrator, registrar transfer agent and secretary pursuant to the Administration Agreement dated 11 October 2001 between the Company and the Administrator, as amended. The Administrator will have the responsibility for the administration of the Company’s affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

The Administrator is a private limited company incorporated in Ireland on 15 June, 1990 and, like the Custodian, is wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2012 the Northern Trust Group’s assets under custody and administration totalled in excess of US$4.76 trillion.

**The Custodian**

Northern Trust Fiduciary Services (Ireland) Limited, a private limited company, has been appointed to act as the custodian to the Company pursuant to the Custodian Agreement dated 11 October 2001, between the Company and the Custodian, as amended. All the assets of the Company will be held in segregated accounts in the name of the Company, by the Custodian or by the sub-custodians appointed by the Custodian. The Custodian and any sub-custodian will be responsible for the collection of all income and other payments, and the holding of any interest credited, with respect to the investment.

The Custodian is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Custodian wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 30 September, 2012 the Northern Trust Group’s assets under custody and administration totalled in excess of US$4.76 trillion.

The Custodian may appoint any person or persons to be the sub-custodian of the assets and cash of the Company and any liability of the Custodian shall not be affected by the fact that it has entrusted some or all of the assets in safekeeping to any third party. The Custodian Agreement provides that the Custodian will discharge its responsibilities in respect of third parties by exercising care and diligence in choosing and appointing a third party to be sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities involved. The Custodian shall maintain an appropriate level of supervision over a sub-custodian and make appropriate enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged. As the Company may invest in markets where
The Custodian will be responsible for the physical safekeeping of the Company's assets which are traded in such markets where custodial and/or settlement systems are not fully developed. These assets are held in circumstances where the use of sub-custodians is necessary, and the Custodian may have no liability. The Custodian Agreement further provides that the Company acknowledges that in order to provide custody and settlement facilities in all jurisdictions in which the Company may invest from time to time, the Custodian or its sub-custodian may delegate these custodial functions to third parties in jurisdictions where custodial or settlement systems do not offer the standards of protection which would normally be required by a reasonably prudent custodian. The Custodian will therefore be required to exercise only that level of care and diligence which is reasonable to exercise in the circumstances prevailing in that jurisdiction.

The Global Distributor

The Company has appointed Polar Capital LLP as a global distributor of the shares in the Company pursuant to the provisions of the Global Distribution Agreement entered into between the Company and Polar Capital LLP (the “Global Distributor”) dated 1st July, 2008 (the “Global Distribution Agreement”).

In accordance with the terms of the Global Distribution Agreement, the Global Distributor may delegate its functions under the Global Distribution Agreement to any other distributor permitted to be a distributor of the shares of the Company by the competent authority in any jurisdiction in which the shares of the Company shall be distributed. The Global Distributor is authorised to enter into contractual relations with distributors in the name and for the account of the Company.

The Global Distributor shall not receive any remuneration for its services under the Global Distribution Agreement from the Company.

The Global Distributor agrees that it will indemnify and hold harmless the Company from damage to or loss incurred by the Company as a direct consequence of any breach of the Global Distribution Agreement by the Global Distributor provided that such damage or loss is not as a result of any wilful act, negligence, fraud or default of the Company.

The Company agrees that it will indemnify the Global Distributor and the Global Distributor’s directors, officers, agents, employees and shareholders against all action, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Global Distributor by reason of the performance or non-performance of its obligations and duties under the Global Distribution Agreement PROVIDED HOWEVER that the Global Distributor shall not be entitled to such indemnification with respect to any expense, loss, liability or damage which was caused by the Global Distributor’s own negligence, bad faith, wilful misconduct, misfeasance or reckless disregard of its obligations and duties hereunder.

Either the Company or the Global Distributor shall be entitled to terminate the Global Distribution Agreement by giving not less than 30 days’ notice in writing to the other party.
Paying Agents/Representatives/Sub-Distributors

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks ("Paying Agents") and maintenance of accounts by such Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Custodian (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Custodian for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Company which will be at normal commercial rates and will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed.

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company

Conflicts of Interest

Due to the widespread operations undertaken or which in the future may be undertaken by the Directors, the Investment Manager, any investment advisers appointed by the Investment Manager, the Administrator and the Custodian and their respective holding companies, subsidiaries, affiliates, employees, officers, directors and shareholders (each an “interested party”) conflicts of interest may arise.

An interested party may contract or enter into any financial, banking or other transaction including, without limitation, investment in securities of a Shareholder or any company or body any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transaction and may invest in and deal with the Shares of any Fund or property of any kind included in the assets of the Company.

Any cash of the Company may be deposited, subject to the provisions of the Irish Central Bank Acts, with an interested party or invested in certificates of deposit or banking instruments issued by an interested party. Banking and similar transactions may also be undertaken with or through an interested party or any such subsidiary, affiliate, associate, agent or delegate. An interested party may provide similar services to others provided that the services they provide to the Company are not impaired thereby. Furthermore an interested party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the interested party was concerned provided that the acquisition or disposal by an interested party of such Investments is effected on normal commercial terms as if negotiated on an arm’s length basis and the Investments
held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company. An interested party may deal with the Company as principal or as agent, provided that any such dealings are consistent with the best interests of Shareholders and are carried out as if effected on normal commercial terms negotiated on an arm’s length basis i.e. if:-

(a) a certified valuation of a transaction by a person approved by the Custodian (or, in the case of a transaction with the Custodian, by the Directors) as independent and competent is obtained; or

(b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or

(c) where (a) and (b) are not practicable, the transaction is executed on terms which the Custodian (or, in the case of a transaction with the Custodian, by the Directors) is satisfied are normal commercial terms negotiated at arm’s length.

The Investment Manager’s fee is based on a percentage of the Net Asset Value of each Fund (from which fee investment advisers (if any) are paid).

In the event that a conflict of interest does arise, the Directors, the Investment Manager and the investment advisers, will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

**GENERAL**

**Meetings**

Shareholders in the Company will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will be held in Ireland normally within six months of the end of each financial year of the Company. Notices convening each annual general meeting will be sent to Shareholders together with the annual accounts and reports not less than twenty-one days before the date fixed for the meeting.

**Accounts and Information**

The Company’s accounting period ends on 31 December in each year.

The Company will prepare an annual report and audited financial statements, which will be sent to Shareholders within four months of the end of the financial period to which they relate i.e. by 30 April in each year. Copies of the unaudited half-yearly reports (made up to 30 June) will also be sent to Shareholders within two months of the end of the half-year period to which they relate i.e. by 31 August in each year. Both of these reports are sent to the Companies Announcements Office of The Irish Stock Exchange within the same time periods. Copies of the audited annual report and the unaudited half yearly report will be supplied to Shareholders free of charge and will be sent to prospective investors upon request.
VALUATION, SUBSCRIPTIONS AND REDEMPTIONS

Calculation of Net Asset Value

The Net Asset Value of each Fund is expressed in its base currency. The calculation of the Net Asset Value of each Fund and the Net Asset Value attributable to each class thereof will be carried out by the Administrator in accordance with the requirements of the Articles, and details are set out under the heading “Statutory and General Information” below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading “Temporary Suspensions” below, the calculation of the Net Asset Value of each Fund, the Net Asset Value per Share (and, where there is more than one Share class in a Fund, the Net Asset Value attributable to each class and the Net Asset Value per Share per Class) will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value per Share shall also be made public at the offices of the Administrator during normal business hours and will be published daily in the Financial Times. The Net Asset Value per Share of each class which is listed on The Irish Stock Exchange will, upon calculation, be notified without delay by the Administrator to The Irish Stock Exchange.

The Net Asset Value attributable to any class of Shares within a Fund will be determined by deducting the share of liabilities of that class from its share of the assets of the Fund. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value attributable to the class by the number of Shares of that class.

The Articles allow the Directors, on the advice of the Investment Manager, to adjust the Net Asset Value per Share to reflect the value of such Fund’s investments assuming they were valued using the bid price on the relevant market at the relevant time. The Directors intention is only to exercise this discretion to preserve the value of the holdings of continuing unitholders in the event of substantial or recurring net realisations of Shares in the relevant Fund.

The costs and liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular class of a Fund (where the currency of a particular class is different to the base currency of the Fund) shall be attributable exclusively to that class. Where there are different classes of Shares in a Fund, the relevant Supplement shall state whether or not this hedging policy is being adopted in respect of any class of such Fund and shall contain further details in relation thereto. Currency conversions required following subscriptions, redemptions, switches and distributions relating to Shares in a Fund denominated otherwise in the base currency of the Fund will be effected at prevailing exchange rates.

Subject and without prejudice to any other liability that may be owed to the Company, none of the Directors, the Investment Manager, the Administrator or the Custodian shall have any liability in the event that any price or valuation, used in good faith in connection with the above procedures, proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of any asset of the Company or any Fund.
Subscriptions

The Directors may issue Shares of any class of any Fund and on such terms as they may from time to time determine. The terms and conditions applicable to the issue of Shares of any class together with subscription and settlement details and procedures will be set out in the relevant Supplement. Shares shall be issued at the Net Asset Value per Share plus any charges as specified in the relevant Supplement. All Shares will be registered in inscribed form and evidenced by entry on the Company’s register of shareholders and confirmations of ownership in writing will be issued to Shareholders. Certificates will not be issued.

Under the Articles, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Directors have power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not Qualified Holders or expose the Company to adverse tax or regulatory consequences.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

No Shares of any Fund will be issued or allotted during a period when the determination of Net Asset Value of that Fund is suspended.

Subscriptions in Specie

In accordance with the provisions of Article 11 of the Memorandum and Articles of Association of the Company, the Company may accept in specie applications for shares in the Fund provided that the nature of the assets to be transferred into the Fund qualifies as investments of the Fund in accordance with its investment objectives, policies and restrictions. Assets so transferred shall be vested with the Custodian or arrangements shall be made to vest the assets with the Custodian. The number of Shares to be issued shall not exceed the amount that would be issued for the cash equivalent. The Custodian shall be satisfied that the terms of any exchange will not be such as are likely to result in any prejudice to the existing shareholders of a Fund.

Redemption

Shareholders may redeem their shares on any Dealing Day in accordance with the procedures and the price set out in the relevant Supplement.

Switching

Shareholders of a class within a Fund may switch free of any switching charge to classes within such other Fund or Funds as the Directors may permit. The holders of Shares of each Class of each of the Funds in existence as at the date of this Prospectus (listed under the heading “Introduction” above)
may switch to each of the others of such Funds. On the establishment of any new Fund (or Class thereof) the Directors shall specify the switching rights relating to such Fund (or Class thereof).

Switching may be effected by telephone order to the Administrator or written application to the Administrator on such switching form as may be prescribed by the Directors. Telephone orders may be placed with the Administrator on + 353 1 4345007.

If the switch would result in the Shareholder holding a number of Shares in the original Fund with a value of less than the Minimum Holding, the Company (or the Administrator on its behalf) may, at its discretion, convert the whole of the applicant's holding of Shares in the Fund or refuse to effect any switch. No conversions will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to conversion. Notice of conversion must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit) in order to allow for differing settlement periods of the original Fund and the new Fund.

The number of Shares to be issued in the new Fund will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- \( A \) = number of Shares of the new Fund to be allocated
- \( B \) = number of Shares of the original Fund to be converted
- \( C \) = redemption price per Share on the relevant Dealing Day for the old Fund
- \( D \) = the currency conversion factor determined by the Administrator or where the base currencies of the relevant Funds are the same \( D = 1 \)
- \( E \) = subscription price per Share on the relevant Dealing Day for the New Fund

**Total Redemption**

All the Shares of the Company or of any Fund may be redeemed:

(a) at the discretion of the Directors, by giving not less than 30 days' notice in writing to the relevant Shareholders; or

(b) if the Shareholders of the Company or of the relevant Fund so approve by way of special resolution.

All the Shares of the Company shall be redeemed by not less than 30 days' nor more than sixty days' notice to Shareholders if, within 90 days from the date of the Custodian serving notice of termination of the Custodian Agreement, another custodian acceptable to the Company and the Central Bank has not been appointed to act as custodian.
Transfer of Shares

Shares are (save as hereinafter specified) freely transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer, transferees must complete an Application Form and provide such other information (e.g. as to identity) as the Company or its delegates may reasonably require. The Directors may decline to register any transfer of a Share where:

(a) they are aware or believe that such transfer would result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences; or

(b) to a person who is not already a Shareholder if, as a result of such transfer, the proposed transferee would not be the holder of a Minimum Holding.

Temporary Suspensions

The Company may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any class of any Fund:-

(a) during the whole or any part of any period when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;

(b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being seriously detrimental to the interests of owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Shares in general or the owners of Shares of the relevant Fund;

(c) during the whole or any part of any period during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the Company or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;

(d) during the whole or any part of any period when the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading; or
(e) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving to wind up the Company.

The Company, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

If total requests for redemption or switching on any Dealing Day for any Fund exceed 10% of the total number of Shares outstanding in that Fund, each redemption or switching request in respect of Shares in such Fund may, at the discretion of the Directors, be reduced so that the total number of Shares of each Fund for redemption or switching on that Dealing Day shall not exceed 10% of the total number of Shares outstanding in that Fund. Any redemption or switching request so reduced shall be carried forward to the next Dealing Day and effected in priority to subsequent redemption or switching requests on the following (and, if necessary, subsequent) Dealing Day(s). If redemption or switching requests are so carried forward, the Company shall procure that the Shareholders whose dealings are affected thereby are promptly informed.

In the event of any suspension as set out above, the Company will immediately publish such fact on www.polarcapital.co.uk and will immediately (and in any event during the Business Day on which the suspension occurred) notify the Central Bank, The Irish Stock Exchange and any other competent authority in a Member State or other country in which Shares are marketed.
FEES AND EXPENSES

The current fees of the service providers to the Company are set out or are referred to below.

Investment Management Fees

The Investment Manager is entitled to receive a management fee and a performance fee calculated in accordance with the procedures set out in the relevant Supplement. The management fee will be calculated as a percentage per annum of the Net Asset Value of each Fund (before deduction for any accrued performance fees) together with any extraordinary out of pocket expenses. The Investment Manager will be responsible for discharging the fees of the investment advisers.

Such fees will be accrued daily based on the daily Net Asset Value of the relevant Fund and will be paid monthly in arrears.

Custodial Fees

In consideration of the services to be performed by the Custodian, the Custodian shall be entitled to receive:

- An annual fee from the Company accrued daily and paid monthly in arrears of 0.04% of the first US$2 billion of the Company’s Net Asset Value, 0.03% of the next US$1 billion of the Company’s Net Asset Value and 0.02% of the Company’s Net Asset Value thereafter.
- Subject to a monthly minimum fee of US$1,200 in respect of each Fund which shall be accrued daily and paid monthly in arrears.

The Custodian shall also be entitled to be repaid out of the assets of each Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Fund (such as telephone, postage, printing, legal and fax expenses) including stamp duties and registration fees and the fees and expenses of sub-custodians, at normal commercial rates.

Administration Fees

In consideration of the services to be performed by the Administrator, the Administrator shall be entitled to receive:

An annual fee accrued daily and paid monthly in arrears of:

- 0.16% of the first US$750 million of the Company’s Net Asset Value;
- 0.12% of the next US$1.25 billion of the Company’s Net Asset Value;
- 0.10% of the next US$1 billion of the Company’s Net Asset Value; and
- 0.08% of the Company’s Net Asset Value thereafter.
- Subject to a monthly minimum fee of US$3,500 in respect of each Fund which shall be accrued daily and paid monthly in arrears.
The Administrator shall also be entitled to be repaid out of the assets of the Company or relevant Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Company (which shall include legal fees, couriers’ fees and telecommunication costs and expenses).

**Paying Agency Fees**

The fees payable to paying agents/representatives/distributors/correspondent banks ("Paying Agents") will be at normal commercial rates.

**Subscription Fee**

The Investment Manager is entitled to receive from the Company on the issue of Shares an initial charge which, until otherwise notified, will not exceed 5% of the gross amount invested by an investor. The Investment Manager will pay, out of the initial charge, commission or discount to recognised intermediaries or such other persons as the Investment Manager may determine at its absolute discretion.

**Directors’ Fees**

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors. The total aggregate maximum fee payable to the Board of Directors is set at Euro 500,000. The actual fee payable to each Director will be disclosed in the Company’s annual report. Any increase above the stated maximum will require the approval of the Company in a general meeting. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company.

**Operational Expenses**

The Company will also pay out of the assets of each Fund:

(a) any fees in respect of circulating details of the Net Asset Value (including publishing prices) and Net Asset Value per Share;
(b) stamp duties;
(c) taxes;
(d) company secretarial fees;
(e) rating fees (if any);
(f) Directors fees (if any) and expenses;
(g) the cost of insurance (if any);
(h) brokerage or other expenses of acquiring and disposing of Investments;
(i) fees and expenses of the auditors, tax, legal and other professional advisers of the Company, including compliance consultants retained to assist the Company with the governance requirements of the Regulations;
(j) fees connected with listing of Shares on any stock exchange;
(k) fees and expenses in connection with the distribution of Shares and costs of registration of the
Company in jurisdictions outside Ireland;
(l) costs of preparing, printing and distributing the Prospectus and Supplements, reports, accounts
and any explanatory memoranda;
(m) any necessary translation fees;
(n) any costs incurred as a result of periodic updates of the Prospectus of the Company, any
Supplements, or of a change in law or the introduction of any new law (including any costs
incurred as a result of compliance with any applicable code, whether or not having the force of
law);
(o) any other fees and expenses relating to the management and administration of the Company or
attributable to the Company's investments;
(p) in respect of each financial year of the Company in which expenses are being determined, such
proportion (if any) of the establishment and reconstruction expenses as are being amortised in
that year.

The above expenses shall be charged as between each Fund and class thereof on such terms and in
such manner as the Directors (with the consent of the Custodian) deem fair and equitable.

All fees and expenses, Duties and Charges will be charged to the Fund (and class thereof, if
appropriate) in respect of which they were incurred or, where an expense is not considered by the
Directors to be attributable to any one Fund (or class thereof), the expense will normally be allocated
to classes of all Funds pro rata to the Net Asset Value of the relevant Funds. Expenses of the
Company which are directly attributable to a specific class of Shares are charged against the income
available for distributio

Soft Commissions

The Investment Manager may effect transactions or arrange for the effecting of transactions through
brokers with whom it has “soft commission” arrangements. The benefits provided under such
arrangements will assist the Investment Manager in the provision of investment services to the
Company. Specifically, the Investment Manager may agree that a broker shall be paid a commission
in excess of the amount another broker would have charged for effecting such transaction so long as,
in the good faith judgement of the Investment Manager the amount of the commission is reasonable
in relation to the value of the brokerage and other services provided or paid for by such broker. Such
services, which make take the form of research services, quotation services, news wire services,
portfolio and trade analysis software system, special execution and clearance capabilities, may be
used by the Investment Manager in connection with transactions in which the Company will not
participate. All transactions undertaken on a soft commission basis will be subject to the fundamental
rule of overall “best execution” (i.e. prompt and reliable execution at the most favourable price) of all
transactions.

The Company will make adequate disclosure in its annual and semi-annual reports of all soft
commission arrangements entered into.
ALLOCATION OF ASSETS AND LIABILITIES

The Articles contain the following provisions regarding the operation of the Company:

(a) the records and accounts of each Fund shall be maintained separately in the base currency of the relevant Fund;

(b) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Custodian from the assets of other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose;

(c) the proceeds from the issue of each class of Share shall be applied to the relevant Fund established for that class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;

(d) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;

(e) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, subject to the approval of the Auditors, to determine the basis upon which such asset or liability shall be allocated between the Funds;

All liabilities shall (in the event of a winding up of the Company or a repurchase of all of the Shares of the Company or all the Shares of any Fund), unless otherwise agreed upon with the creditors, be binding on the relevant Fund to which they are attributable.
TAXATION

General

The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

The following is a brief summary of certain aspects of Irish and United Kingdom tax law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

Dividends, interest and capital gains (if any) which the Company/any of the Funds receive with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

Definition

For the purposes of this section, the following definitions shall apply.

“Irish Resident”

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.
A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty country under a double taxation treaty between Ireland and that country;

  or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

“Ordinarily Resident in Ireland”

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes

- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2012 to 31 December 2012 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2015 to 31 December 2015.

The concept of a trust’s ordinary residence is somewhat obscure and linked to its tax residence.

“Exempt Irish Investor”

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;

- a company carrying on life business within the meaning of Section 706 of the Taxes Act;

- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;

- a special investment scheme within the meaning of Section 737 of the Taxes Act;

- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;

- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

a qualifying management company within the meaning of Section 739B of the Taxes Act;

a personal retirement savings account ("PRSA") administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;

a credit union within the meaning of Section 2 of the Credit Union Act, 1997;

the National Pensions Reserve Fund Commission;

the National Asset Management Agency;

a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company; or

any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company; provided that they have correctly completed the Relevant Declaration.

“Intermediary”

means a person who:

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or

- holds shares in an investment undertaking on behalf of other persons.

“Ireland” means the Republic of Ireland

“Recognised Clearing System”

means Bank One NA, Depositary and Clearing Centre, Clearstream Banking AG, Clearstream Banking SA, CREST, Depositary Trust Company of New York, Euroclear, Japan Securities Depository Centre, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners as a recognised clearing system.

“Relevant Declaration”

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

“Relevant Period”

means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

The Company

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of equivalent measures (see paragraph headed “Equivalent Measures” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arms length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make
a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

**Stamp Duty**

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act) which is registered in Ireland.

**Shareholders Tax**

*Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the Company (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the Company will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the point made in the previous paragraph in relation to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

*Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and
availing of equivalent measures (see paragraph headed “Equivalent Measures” below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

Shareholders who are Irish Residents or Ordinarily Resident in Ireland

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 33% (25% where the Shareholder is a company) will be required to be deducted by the Company from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 36% (25% where the Shareholder is a company) will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the rate of 36% (25% where the Shareholder is a company) on any deemed gain (calculated without the benefit
of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Company will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Company will refund the Shareholder for the excess (subject to the paragraph headed “15% threshold” below).

10% Threshold
The Company will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or in the sub-fund within an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or in the sub-fund) and the Company has made an election to report certain details in respect of each affected Shareholder to Revenue (the “Affected Shareholder”) in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self assessment basis (“self-assessors”) as opposed to the Company or Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

15 % Threshold
As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Company will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the Company (or in the sub-fund within an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company (or sub-fund) may elect to have any excess tax arising repaid directly by Revenue to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Shareholder.

Other

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at the 30th June or 31st December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.
Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

**Equivalent Measures**

The Finance Act 2010 ("Act") introduced new measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained new provisions that permit the above exemption in respect of shareholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

**Personal Portfolio Investment Undertaking ("PPIU")**

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals’ circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals’ who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20th February 2007, will be taxed at the rate of 56%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

**Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or
successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless:

i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and

ii) that person is either resident or ordinarily resident in Ireland on that date.

United Kingdom Taxation

The Company

The Directors intend to conduct the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. On that basis, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein, the Company will not be subject to UK corporation tax on its income or capital gains.

If any interest or other income of the Company arising within the United Kingdom is received by the Company subject to deduction of UK tax at source, the Company will not normally be entitled to claim repayment of the tax deducted from the UK tax authorities.

Shareholders

General

For UK tax purposes, the Company will be treated as a corporate legal entity, rather than as a fiscally transparent arrangement. However, as more fully explained below, the operation of the UK "reporting funds" regime will effectively qualify that statement as regards the income earned by the Company.

Dividends on Shares

Shareholders who are resident in the United Kingdom for tax purposes will be liable, subject to their individual circumstances, to UK income tax or, as the case may be, UK corporation tax on dividends paid to them by the Company. Under the provisions of the UK Corporation Tax Act 2009 ("CTA 2009"), dividends paid by the Company to Shareholders within the charge to UK corporation tax may, in certain circumstances, be exempt from tax.

The "DIVIDEND POLICY" section of a Supplement may provide for any dividends payable to Shareholders in the Fund in question to be (unless a shareholder requests otherwise) reinvested in further Shares in that Fund. Such reinvestment of a dividend paid by any Fund will not, however, affect any liability of the relevant Shareholder to UK income taxation in respect of that dividend, as
summarised in the preceding paragraph, which liability will be the same as if the dividend had been paid to the Shareholder in cash.

As more fully explained below, under the UK "reporting funds" regime, a UK tax resident Shareholder in any Share Class in respect of which an election is made by the Directors to enter into that regime will be liable to UK income taxation on that Shareholder’s pro rata share of the income earned by the relevant Fund which is attributable to that Share Class, so that the Shareholder’s liability to taxation in respect of the income of the relevant Fund will not be restricted to the amount of that income which is distributed by the Fund to the Shareholder.

Disposals of Shares

Subject to their individual circumstances, Shareholders who are resident or ordinarily resident in the United Kingdom for taxation purposes will potentially be liable to UK taxation, as further explained below, on any gains which accrue to them on a redemption, sale or other disposition of their Shares (of any Share Class within any Fund) which constitutes a “disposal” for UK taxation purposes. A “switch” of Shares (of any Class) within a Fund into Shares (of any Class) within another Fund or Funds will constitute a disposal, for those purposes, of the Shares out of which the Shareholder is switching.

In consequence of the Company being structured as an open-ended investment vehicle, disposals of Shares (of any Share Class within any Fund) by Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes (or who are otherwise within the scope of UK capital gains taxation in respect of their investment in the Company) will fall within the scope of the “offshore funds” provisions of UK tax legislation. This means that in order for any gain realised on a disposal of Shares (of any Share Class within any Fund) to be taxable, in the hands of such a Shareholder, as a capital gain (rather than as income), the Company must itself satisfy a prescribed condition, as described below.

Should that prescribed condition not be satisfied, any such gain will, in general, be taxable in the hands of the Shareholder as income (rather than as a capital gain). In that event, the gain would not be eligible for shelter by any relief or exemption in UK tax law which applies solely to capital gains, such as the annual allowance of tax-free capital gains available to an individual.

Notwithstanding that the Company is a single legal entity, the “offshore funds” provisions of UK tax legislation will, in general, treat each individual Share Class in each Fund (and the income and assets attributable to that Share Class) as a separate “offshore fund” for the purposes of those provisions.

Under current UK tax law, the above-mentioned prescribed condition which must be satisfied by the “offshore fund” constituted by any Share Class in any Fund is that the relevant Share Class qualifies as a “reporting fund” throughout the period of a Shareholder’s investment in that Share Class, except for any part of that period in which the Fund qualified as a “distributing fund” under the predecessor UK “offshore funds” regime.

The Fund to which that Share Class relates will not need to satisfy any income distribution requirement in order for that Share Class to qualify as a “reporting fund”, since the conditions which
an “offshore fund” must satisfy in order to qualify as a “reporting fund” under the current UK “offshore funds” regime are not concerned with the level of a Fund’s dividends or other distributions. The two principal requirements with which the Company has to comply so that a particular Share Class may qualify as a “reporting fund” are as follows:

1. First, the Company has to submit an election to HM Revenue & Customs (“HMRC”) to enter into the “reporting funds” regime in respect of that Share Class and to give certain assurances to HMRC in support of that election.

2. Second, the Company has to provide each Shareholder in that Share Class, for each of the Company’s accounting periods, with a formal notification of the Shareholder’s pro rata share of the portion attributable to that Share Class of the “reportable income” (as defined by regulations) earned in the accounting period concerned by the Fund to which that Share Class relates.

A UK tax resident Shareholder in that Share Class (or a Shareholder who is otherwise within the scope of UK income taxation in respect of his investment in the Company) will then be liable, subject to the Shareholder’s individual circumstances, to UK income tax or (as the case may be) UK corporation tax on the excess (if any) of the amount of “reportable income” notified to the Shareholder by the Company in respect of the accounting period concerned over the dividends or other income distributions (if any) made to the Shareholder by the relevant Fund in respect of that accounting period.

A Fund’s “reportable income”, for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes).

The Directors have submitted to HMRC elections for each Share Class in each Fund in issue at the date of this document to enter into the “reporting funds” regime; and it is the intention of the Directors that each such Share Class should remain within that regime.

Investors should nonetheless appreciate that the Directors cannot guarantee that any particular Share Class will be able to qualify as a “reporting fund” in any particular accounting period, since the ability of such Share Class so to qualify is in part dependent on matters outside the control of the Directors.

Certain Other Provisions of UK Tax Legislation

Part 6, Chapter 3 Corporation Tax Act 2009 – Deemed “Loan Relationships” of Corporates

Investors in the Company which are companies resident in the United Kingdom for UK taxation purposes should note that Chapter 3 of Part 6 of CTA 2009 provides that if, at any time in an accounting period, a corporate investor holds an interest in an arrangement which constitutes an “offshore fund” for UK taxation purposes and there is a time in that accounting period when that “offshore fund” fails to meet the “qualifying investments test” (explained below), the interest held by that corporate investor will be treated for that accounting period as if that interest were, instead, rights under a creditor relationship for the purposes of the regime for the taxation of most corporate debt that is contained in Part 5 of CTA 2009 (the “Loan Relationships Regime”).
As explained above, each Share Class in any Fund established by the Company will, generally, constitute a discrete “offshore fund” for UK tax purposes. The “offshore fund” constituted by a Share Class would fail to meet the “qualifying investments test” if the market value of the “qualifying investments” attributable to that Share Class exceeded 60% of the market value of all the investments attributable to that Share Class. “Qualifying investments” are defined by the legislation as including money placed at interest, debt-securities, certain derivative contracts and contracts for differences and holdings in certain other investment vehicles which, themselves, fail to meet the “qualifying investments test”.

The ability of a particular Share Class to meet the “qualifying investments test” will, accordingly, depend entirely on the nature of the investments of the relevant Fund which are attributable to the Share Class concerned from time to time. If a Share Class failed to meet the “qualifying investments test”, a UK resident corporate investor’s holding of Shares in that Share Class would be treated, for UK corporation tax purposes, as falling within the Loan Relationships Regime. The consequence of that would be that all returns on the corporate investor’s holding of Shares in that Share Class (including gains, profits and deficits) as well as any dividends earned on those Shares (whether reinvested or paid in cash) would be taxed or relieved as an income receipt or expense on the basis of fair value accounting in respect of each accounting period of that corporate investor during any part of which (a) the corporate investor held the relevant Shares and (b) the relevant Share Class failed to meet the “qualifying investments test”. Accordingly, in such a case, the corporate investor may, depending on its own circumstances, incur a charge to UK corporation tax on an unrealised increase in the value of its holding of Shares in the Share Class concerned (and, likewise, obtain relief against UK corporation tax for an unrealised reduction in the value of its holding of such Shares).

Section 13 Taxation of Chargeable Gains Act 1992 – Deemed Gains

Section 13 of the UK Taxation of Chargeable Gains Act 1992 may apply to Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes and whose proportionate interest in the Company (taken as a whole) as “participators” for UK tax purposes, together with that of any persons “connected” with them for UK tax purposes, is greater than 10% if (and only if) the Company would be a “close company” for UK tax purposes were it (hypothetically) resident in the United Kingdom for those purposes. For so long as the Company remained a “close company”, such a Shareholder could (depending on individual circumstances) be liable to UK capital gains taxation on the Shareholder’s pro rata share of any capital gain accruing to the Company.

Persons “connected” with a Shareholder for UK tax purposes include, where the Shareholder is a company, any other company that is under the control of the Shareholder, or that has control of the Shareholder, or which is under common control with the Shareholder. The rules which determine whether the Company would (if, hypothetically, it were UK tax resident) be a “close company” are complex but are concerned, very broadly, with the degree of concentration of ownership of the Company’s share capital from time to time.
“Controlled Foreign Companies” Provisions – Deemed Income of Corporates

If the Company were at any time to be controlled, for UK tax purposes, by persons (of any type) resident in the United Kingdom for tax purposes, the “controlled foreign companies” provisions in Chapter IV of Part XVII of the UK Income and Corporation Taxes Act 1988 could apply to UK resident corporate Shareholders. Under these provisions, part of any “chargeable profits” accruing to the Company may be attributed to such a Shareholder and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will apply only if the apportionment to the Shareholder, when aggregated with the apportionment to any person(s) “associated” with the Shareholder, is at least 25% of the chargeable profits of the Company (taken as a whole). “Associated” means here essentially the same as “connected” means for UK tax purposes, as discussed under “Section 13 Taxation of Chargeable Gains Act 1992” above. A company’s “chargeable profits” do not include any of its chargeable gains. It is considered that the Company’s election to enter into the “reporting funds” regime, as explained above, in respect of each Share Class in each Fund in issue as at the date of this document makes these provisions of limited practical relevance to Shareholders in any such Share Class.


The attention of Shareholders who are individuals ordinarily resident in the United Kingdom for tax purposes is drawn to the provisions set out in Chapter 3 of Part 13 of the UK Income Tax Act 2007, which may render those individuals liable to UK income tax in respect of undistributed income (but not capital gains) of the Company. It is considered that these provisions will be of limited practical relevance to Shareholders in any Share Class in issue at the date of this document if, as explained above, the Company, upon the “reporting funds” regime coming into force, elects to enter into that regime in respect of each such Share Class.

“Transactions in Securities”

Under the provisions of Part 15 of the UK Corporation Tax Act 2010 (as regards persons liable to corporation tax) and the provisions of Chapter 1 of Part 13 of the UK Income Tax Act 2007 (as regards persons liable to income tax), H.M. Revenue & Customs can, in certain circumstances, raise assessments so as to counteract “tax advantages” (as defined in the relevant legislation) arising from certain “transactions in securities” (as so defined). No clearance has been, or is intended to be, sought from H.M. Revenue & Customs in relation to any possible applicable of those provisions to transactions in the Shares (of any Class).

Stamp Tax

No UK stamp duty will be payable on a transfer of Shares (in any Share Class in any Fund) if the related instrument of transfer is not executed within the United Kingdom and, furthermore, does not relate to any property situate, or to any matter or thing done or to be done, within the United Kingdom.

So long as the Shares of a Share Class are not registered in any register maintained in the United Kingdom by, or on behalf of, the Company, any agreement to transfer Shares in that Share Class will
not be liable to UK stamp duty reserve tax. As at the date of this document, the Company has no intention that any such register will be maintained in the United Kingdom.

**Inheritance Tax**

A holder of Shares (of any Class) who is an individual domiciled, or deemed for UK tax purposes to be domiciled, in the United Kingdom may be liable to UK inheritance tax on the value of those Shares in the event of the Shareholder’s death or upon the Shareholder’s making a lifetime transfer of the Shares in certain circumstances.

**European Union – Taxation of Savings Income Directive**

Dividends and other distributions made by the Company, together with payment of the proceeds of sale and/or redemption of Shares in the Company, may (depending on the investment portfolio of the Company and the location of the paying agent – the definition of a paying agent for the purposes of the Savings Directive is not necessarily the same person who may legally be regarded as the paying agent) be subject to the exchange of information regime or withholding tax imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. If a payment is made to a Shareholder who is an individual resident in a Member State of the European Union (or a “residual entity” established in a Member State) by a paying agent resident in another Member State (or in certain circumstances the same Member State of the Shareholder) then the Directive may apply. The Directive applies to payments of “interest” (which may include distributions or redemption payments by collective investment funds) or other similar income made on or after 1 July 2005 and applicants for Shares in the Company will be requested to provide certain information as required under the Directive. It should be noted that the imposition of exchange of information and/or withholding tax on payments made to certain individuals and residual entities resident in an EU Member State also applies to those resident or located in any of the following countries; Anguilla, Aruba, British Virgin Islands, Cayman Island, Guernsey, Isle of Man, Jersey, Montserrat, Netherlands Antilles and Turks and Caicos Islands.

For the purposes of the Directive, interest payments include income distributions made by certain collective investment funds (in the case of EU domiciled funds, the Directive currently only applies to UCITS), to the extent that the fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and income realised upon the sale, repurchase or redemption of fund units to the extent that the fund has invested 25% of its assets directly or indirectly in interest bearing securities.

The following countries, Andorra, Liechtenstein, Monaco, San Marino and Switzerland, will not be participating in automatic exchange of information. To the extent that they will exchange information it will be on a request basis only. Their participation is confined to imposing a withholding tax.

On 13 November 2008 the European Commission adopted an amending proposal to the Directive. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the EU Savings Directive to payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual and (ii) provide for a wider
definition of interest subject to the EU Savings Directive. As at the date of this prospectus, it is not known whether and if so when, the amending proposal will become law.

**Compliance with US reporting and withholding requirements**

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States ("US") aimed at ensuring that US persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a foreign financial institution ("FFI") unless the FFI enters directly into a contract ("FFI agreement") with the US Internal Revenue Service ("IRS"). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") on the 21st December 2012 and it is hoped that accompanying legislation to implement the requirements of the Irish IGA into Irish law will be included in Finance Act 2013 (which is expected to be passed in March 2013). If that is not possible, then the necessary legislation to include the Irish IGA in the Taxes Consolidation Act 1997 will need to be introduced by means of another Act.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS without the need for the FFI to enter into a FFI agreement with the IRS (although some form of registration may be necessary). Under the Irish IGA, FFIs will generally not be required to apply 30% withholding tax.

The next steps and the key dates in the implementation timeline for FATCA in Ireland are as follows:

- Early 2013: Publication of enabling legislation.
- Pre-September 2015 (date in 2015 yet to be decided): Deadline for Irish FFIs to report to Irish Revenue Commissioners in respect of the calendar years 2013 and 2014. 30 September 2015: Deadline for first information exchange between Irish Revenue Commissioners and IRS. Information for 2013 and 2014 to be reported by Irish Revenue Commissioners to the IRS by this date.

To the extent the Company does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Company to ensure
that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.
1. Incorporation, Registered Office and Share Capital

(a) The Company was incorporated in Ireland on 28 September 2001 as an investment company with variable capital with limited liability under registration number 348391.

(b) The registered office of the Company is at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland.

(c) On incorporation the authorised share capital of the Company was US$40,000 divided into 40,000 Subscriber Shares of a par value of US$1 each and 500,000,000,000 participating shares of no par value. There are 7 Subscriber Shares currently in issue which are held by the Investment Manager and nominees of the Investment Manager.

These Subscriber Shares may be repurchased by the Company at any time. The repurchase price will be U.S.$1 per Subscriber Share.

(d) As of the date of this Prospectus, no capital of the Company is under option or is agreed, conditionally or unconditionally to be put under option.

(e) Neither the Subscriber Shares nor the Shares carry pre-emption rights.

2. Share Rights.

(a) Subscriber Shares

The holders of the Subscriber Shares shall:-

(i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per Subscriber Share;

(ii) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and

(iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under “Distribution of Assets on a Liquidation” below.

(b) Shares

The holders of Shares shall:-

(i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Share;

(ii) be entitled to such dividends as the Directors may from time to time declare; and
(iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under “Distribution of Assets on a Liquidation” below.

3. **Voting Rights**

This is dealt with under the rights attaching to the Subscriber Shares and Shares respectively referred to at 2 above. Shareholders who are individuals may attend and vote at general meetings in person or by proxy. Shareholders who are corporations may attend and vote at general meetings by appointing a representative or by proxy.

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of shares who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, ordinary resolutions of the Company in general meeting will require a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a Special Resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

4. **Memorandum of Association**

The Memorandum of Association of the Company provides that the Company’s sole object is the collective investment in transferable securities or other liquid financial assets of capital raised from the public operating on the principle of spreading investment risk in accordance with the Regulations. The object of the Company is set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the registered office of the Company.

5. **Articles of Association**

The following Section is a summary of the principal provisions of the Articles of Association of the Company not previously summarised in this Prospectus.

**Alteration of share capital**

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its shares or any of them into shares of a larger amount, sub-divide its shares or any of them into shares of a smaller amount, or cancel any shares not taken or agreed to be taken by
any person. The Company may also by special resolution from time to time reduce its share capital in any way permitted by law.

Issues of shares

The Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Companies Acts 1963 to 2003) (the “Acts”) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company.

Variation of rights

Whenever the share capital is divided into different classes of shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The special rights attaching to any shares of any class shall not (unless the conditions of issue of such class of shares expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking pari passu therewith.

Directors

(a) Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine (see the section headed “Fees and Expenses” above in relation to Director’s fees).

(b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.

(c) Subject to the provisions of the Acts, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

(i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof;

(ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company thereof is otherwise interested; and

(iii) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction
or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

(d) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. Notwithstanding the foregoing, a Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including (inter alia) any proposal concerning any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in 10% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).

(e) There is no provision in the Articles requiring a Director to retire by reason of any age limit and no share qualification for Directors.

(f) The number of Directors shall not be less than two provided that a majority of Directors shall not be resident in the United Kingdom.

(g) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two provided that if a majority of the Directors present are resident in the United Kingdom the Directors present, irrespective of their number shall not constitute a quorum.

(h) The office of a Director shall be vacated in any of the following circumstances i.e. if:

(i) he ceases to be a Director by virtue of any provisions of the Companies Acts, 1963 to 2012 or becomes prohibited by law from being a Director;

(ii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;

(iii) in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;

(iv) he resigns from his office by notice to the Company;

(v) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;

(vi) by a resolution of his co-Directors he is requested to vacate office;
(vii) the Company may by ordinary resolution so determines;

(viii) he shall for more than six (6) consecutive months have been absent without permission of the Directors from any meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office; or

(ix) subsequent to his appointment he becomes resident in the United Kingdom and as a result thereof a majority of the Directors are resident in the United Kingdom.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Acts, by ordinary resolution of the shareholders, remove any Director (including any managing director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of repurchasing shares) and to hypothecate, mortgage, charge or pledge its undertaking, property, assets or any part thereof, and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company. The Company may not borrow other than in accordance with the provisions of the Regulations.

Dividends

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Acts, the Company may by ordinary resolution declare dividends on a class or classes of Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve and in any event on the winding up of the Company or on the total redemption of Shares, any dividend which has remained unclaimed for six (6) years shall be forfeited and become the property of the relevant Fund.

Distribution of Assets on a Liquidation

(a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Companies Acts 1963 to 2012, apply the assets of the Company in such manner and as he thinks fit in satisfaction of creditors’ claims. The liquidator shall in relation to the assets available for distribution among the members make in the books of the Company such transfers thereof to and from Funds as may be necessary to ensure that the effective burden of such creditors’ claims may be shared between the holders of shares of different classes in such proportions as the liquidator in his discretion may deem equitable.
The assets available for distribution among the members shall then be applied in the following priority:

(i) firstly, in the payment to the holders of the Shares of each class of each Fund of a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value attributable to the Shares of such class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had:

A. first, to the assets of the Company not comprised within any of the Funds; and

B. second, to the assets remaining in the Funds for the other classes of Shares (after payment to the holders of the Shares of the classes to which they relate of the amounts to which they are respectively entitled under this paragraph (i)) pro rata to the total value of such assets remaining within each such Fund;

(ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (i) A. above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;

(iii) thirdly, in the payment to the holders of each class of Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held;

(iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion and to the number of Shares held in each class.

(c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Acts of Ireland, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the
assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability and any member may instruct the liquidator to sell any assets, to which he is entitled, on his behalf.

**Indemnities**

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default).

**The assets of the Company and the calculation of the Net Asset Value of the Shares**

(a) The Net Asset Value of each Fund shall be the value of all the assets comprised in the Fund less all the liabilities attributable to the Fund calculated in accordance with the Regulations.

(b) The assets of the Company shall be deemed to include (i) all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable, (ii) all bills, demand notes, certificates of deposit and promissory notes, (iii) all bonds, forward currency transactions, time notes, shares, stock, units of or participation in collective investment schemes/ mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, variable or floating rate securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for by or in respect of the Company, other than rights and securities issued by it; (iv) all stock and cash dividends and cash distributions to be received by the Company and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined, (v) all interest accrued on any interest-bearing securities attributed to the Company except to the extent that the same is included or reflected in, the principal value of such security, (vi) all other Investments of the Company, (vii) the establishment costs attributable to the Company and the cost of issuing and distributing Shares of the Company in so far as the same have not been written off and (viii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

(c) The valuation principles to be used in valuing the Company’s assets are as follows:

(i) the Directors shall be entitled to value the Shares of any Fund which invests primarily in liquidity instruments by using the amortised cost method of valuation, whereby the Investments of such Fund are valued at their cost of acquisition
adjusted for amortisation of premium or accretion of discount on the Investments rather than at the current market value of the Investments. However, this method of valuation will only be used if the relevant Supplement so provides and only with respect to securities (including floating rate securities) with a residual term to maturity of six months or less.

The Directors shall cause a weekly review to take place of deviations between the amortised method of valuation and the current market value of the Investments and recommend changes where necessary to ensure that the Investments of any Fund are valued at their true value as determined in good faith with the approval of the Custodian. If, following any such weekly review, discrepancies in excess of 0.3% occur, the Directors shall cause a daily review to take place until any such deviation is less than 0.3%. If the deviation exceeds 0.5% of the Net Asset Value Per Share, the Directors shall take such corrective action as they deem appropriate to eliminate or reduce, any material dilution or other unfair results to Shareholders;

(ii) the value of an Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in paragraphs (i), (iv), (ix) and (x)) be the last traded price on such Regulated Market as at the Valuation Point or the mid price, where no trades occurred on such day provided that:-

A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may (with the approval of the Custodian), in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Directors otherwise determine; and

B. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Custodian) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Custodian);

(iii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market (save in the case set out in paragraph (i)) shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by
the Custodian) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Custodian);

(iv) the value of any Investment which is a unit of or participation in an open-ended collective investment scheme/mutual fund shall be the latest available net asset value of such unit/participation or if more than one price is published, the redemption price of such unit/participation;

(v) the value of any cash in hand, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Custodian) may consider appropriate in such case to reflect the true value thereof;

(vi) deposits shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made;

(vii) treasury bills shall be valued at the official close of business price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Custodian);

(viii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the official close of business price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;

(ix) forward foreign exchange contracts will be valued by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;

(x) the value of any futures contracts and options which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Custodian);

(xi) the value of any over the counter ("OTC") contracts shall be the quotation from the counterparty provided that such quotation is provided on a daily basis and is approved or verified on a weekly basis by a person independent of the counterparty and who is approved for the purpose by the Custodian;
(xii) notwithstanding any of the foregoing sub-paragraphs, the Directors with the approval of the Custodian may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;

(xiii) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Custodian.

(d) Any certificate as to Net Asset Value of Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

6. Circumstances of a Winding Up

The Company shall be wound up in the following circumstances:

(a) by the passing of a special resolution for a winding-up;

(b) where the Company does not commence business within a year of being incorporated or where it suspends its business for a year;

(c) where the number of members falls below the statutory minimum (currently 7);

(d) where the Company is unable to pay its debts and a liquidator has been appointed;

(e) where the appropriate court in Ireland is of the opinion that the Company’s affairs and the powers of the Directors have been exercised in a manner oppressive to members;

(f) the appropriate court in Ireland is of the opinion that it is just and equitable that the Company should be wound up.

7. Directors’ Interests

(a) Neither the Directors nor any connected person has any interest in the Shares or any options in respect of such Shares.

For the purposes of this paragraph “connected person” means in respect of any Director:

(i) his spouse, parent, brother, sister or child;
(ii) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;

(iii) a partner of the Director; or

(iv) a company controlled by that Director.

There are no existing or proposed service contracts between any of the Directors and the Company.

(b) Save for the contracts listed in paragraph 9 below, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

Mr James Cayzer-Colvin is a director of the Investment Manager.

Mr David Hammond is a director of Bridge Consulting Limited, which provides the Company with consulting services in relation to its obligations under the Regulations.

(c) A Memorandum detailing the names of all companies in which the Directors currently hold or have held directorships and firms in which they currently are or have been partners, within the five years prior to publication of this document, is available at the locations set out in paragraph 9 below.

(d) No Director has:

(i) any unspent convictions in relation to indictable offences;

(ii) become bankrupt or entered into any voluntary arrangement;

(iii) been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed to it or gone into compulsory liquidation, creditors voluntary liquidation or into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;

(iv) owned an asset or been a partner of a partnership owning an asset over which a receiver has been appointed at that time or within twelve months after his ceasing to be a partner; or

(v) had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.
8. **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

(a) the Custodian Agreement dated 11 October 2001, as amended, between the Company and the Custodian. The Custodian Agreement provides that the appointment of the Custodian will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances (e.g. the insolvency of the either party, unremedied breach after notice etc) the Agreement may be terminated forthwith by notice in writing by any party to the other. The Custodian Agreement contains indemnities in favour of the Custodian excluding matters arising by reason of its unjustifiable failure to perform its obligations or the improper performance of its duties and obligations and provisions regarding the Custodian's legal responsibilities;

(b) the Administration Agreement dated 11 October 2001, as amended, between the Company and the Administrator. The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by any party giving to the other not less than 90 days written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by any party to the others. The Administration Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its fraud, negligence or wilful default in the performance of its duties and obligations, and provisions regarding the Administrator’s legal responsibilities;

(c) the Investment Management Agreement dated 11 October 2001, as novated and amended between the Company and the Investment Manager. The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by the Investment Manager giving to the Company not less than twelve months’ written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc) the Agreement may be terminated immediately if so required by any competent regulatory authority. The Investment Management Agreement contains indemnities in favour of the Investment Manager other than matters arising by reason of its wilful default, fraud, bad faith, negligence or recklessness in the carrying out of its duties and obligations and provisions regarding the Investment Manager’s legal responsibilities;

(d) the Global Distribution Agreement dated 1st July, 2008 between the Company and the Global Distributor. The Global Distributor agrees that it will indemnify and hold harmless the Company from damage to or loss incurred by the Company as a direct consequence of any breach of the Global Distribution Agreement by the Global Distributor provided that such damage or loss is not as a result of any wilful act, negligence, fraud or default of the Company. The Company agrees that it will indemnify the Global Distributor and the Global Distributor's directors, officers, agents, employees and shareholders against all
action, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Global Distributor by reason of the performance or non-performance of its obligations and duties under the Global Distribution Agreement PROVIDED HOWEVER that the Global Distributor shall not be entitled to such indemnification with respect to any expense, loss, liability or damage which was caused by the Global Distributor's own negligence, bad faith, wilful misconduct, misfeasance or reckless disregard of its obligations and duties hereunder. Either the Company or the Global Distributor shall be entitled to terminate the Global Distribution Agreement by giving not less than 30 days' notice in writing to the other party.

9. Miscellaneous

(a) The Company does not have, nor has it had since its incorporation, any employees.

(b) Save as disclosed in paragraph 7 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.

(c) The Company has not and does not intend to purchase or acquire nor agree to purchase or acquire any property.

10. Inspection of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the registered office of the Company in Dublin and at the office of the sponsoring stockbroker:-

(a) the Memorandum and Articles of Association of the Company;

(b) the Custodian Agreement;

(c) the Administration Agreement;

(d) the Investment Management Agreement;

(e) the Regulations;

(f) the relevant Central Bank Notices;

(g) the Companies Acts, 1963 to 2012; and

(h) the latest annual and semi-annual reports of the Company (when issued).
Copies of the Prospectus, the Memorandum and Articles of Association of the Company and the latest annual and semi-annual reports of the Company may be obtained free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the registered office of the Company.

A copy of the Company’s prospectus and constitutional documents will also be maintained at the Investment Manager’s office, as listed in the Directory section. Any complaints about any aspect of the Company may, in the first instance, be directed to the Investment Manager.
APPENDIX I

STOCK EXCHANGES AND REGULATED MARKETS

With the exception of permitted investment in unlisted securities, investment in securities will be restricted to those stock exchanges and markets listed below in this Prospectus or any supplement thereto or revision thereof. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved markets and exchanges:

All Member States’ stock exchanges or markets on which transferable securities admitted to official listing are dealt in or traded;

All stock exchanges in a member state of the European Economic Area or in the following countries:

- Australia
- Canada
- Japan
- Hong Kong
- New Zealand
- Switzerland
- United States of America.

The following stock exchanges:

- in Argentina: the Buenos Aires Stock Exchange
  Mercado Abierto Electronico S.A.
- in Bahrain: the Bahrain Stock Exchange
- in Bangladesh: the Dhaka Stock Exchange
- in Bermuda: the Bermuda Stock Exchange
- in Botswana: the Botswana Stock Exchange
- in Brazil: the Rio de Janeiro Stock Exchange
  the Sao Paulo Stock Exchange
- in Bulgaria: the Bulgarian Stock Exchange
- in the Cayman Islands: the Cayman Islands Stock Exchange
- in Chile: the Santiago Stock Exchange
  the Bolsa Electronica de Chile
- in China: the Shanghai Stock Exchange
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<th>Country</th>
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<tr>
<td>in Colombia</td>
<td>Bolsa de Valores de Colombia</td>
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<td>in Croatia</td>
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<td>in Egypt</td>
<td>the Cairo and Alexandria Stock Exchange</td>
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<td>in Ghana</td>
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<td>in India</td>
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<td>in Indonesia</td>
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<td>the Jamaica Stock Exchange</td>
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<td>in Jordan</td>
<td>the Amman Financial Market</td>
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<td>in Kazakhstan</td>
<td>the Kazakhstan Stock Exchange</td>
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<td>in Kenya</td>
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<td>in the Republic of Korea</td>
<td>the Korea Stock Exchange KOSDAQ</td>
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<td>in the Lebanon</td>
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<td>in Malaysia</td>
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<td>in Mauritius</td>
<td>the Stock Exchange of Mauritius</td>
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<td>in Oman</td>
<td>the Muscat Securities Market</td>
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<td>in Pakistan</td>
<td>the Karachi Stock Exchange</td>
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in Peru the Lahore Stock Exchange

in Philippines the Islamabad Stock Exchange

in Qatar the Lima Stock Exchange

in Romania the Philippines Stock Exchange

in Serbia the Qatar Exchange

in Singapore the Bucharest Stock Exchange

in South Africa the Philippines Stock Exchange

in Sri Lanka the Qatar Exchange

in Thailand the Saigon Stock Exchange

in Taiwan the Singapore Exchange

in Trinidad & Tobago the Singapore Exchange

in Tunisia the Stock Exchange of Thailand

in Turkey the Trichin Stock Exchange

in Uruguay the Stock Exchange of Tunisia

in Venezuela the JSE Securities Exchange

in Vietnam the Taipei Stock Exchange

in Zambia the Singapore Stock Exchange

in Zimbabwe the Singapore Exchange

(i) The Second Marche of the stock exchange set up in France in accordance with the laws of France;

(j) The RTS Stock Exchange and the Moscow International Currency Exchange in Russia.
(k) The Alternative Investment Market regulated and operated by the London Stock Exchange Limited;

(l) The Over The Counter Bulletin Board market in the United States regulated by the National Association of Securities Dealers;

(m) The market in the UK conducted by the “listed money market institutions” as described in the Financial Services Authority publication “The Regulation of the Wholesale Cash and OTC Derivatives markets “(The Grey Paper)”;

(n) The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York.;

(o) NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc.);

(p) EASDAQ Europe (the European Association of Securities Dealers Automated Quotation).

In addition to those markets listed above on which financial regulated derivative instruments may be traded, the following regulated derivatives markets:

All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State;
- in a Member State in the European Economic Area (European Union, Norway, Iceland and Liechtenstein);

in Asia, on the

- Hong Kong Exchanges & Clearing;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- Bursa Malaysia Derivatives Berhad;
- National Stock Exchange of India;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- Shanghai Futures Exchange;
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange;
- Sydney Futures Exchange;

in Brazil on the Bolsa de Mercadorias & Futuros;

in Israel on the Tel-Aviv Stock Exchange;

in Mexico on the Mexican Derivatives Exchange (MEXDER);

in South Africa on the South African Futures Exchange;

in Switzerland on Eurex (Zurich)

in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange;
- Philadelphia Stock Exchange;

in Canada on the Bourse de Montreal;

For the purposes only of determining the value of the assets of a Fund, the term “Regulated Market”
shall be deemed to include, in relation to any futures or options contract utilised by a Fund for the
purposes of efficient portfolio management or to provide protection against exchange rates, any
organised exchange or market on which such futures or options contract is regularly traded.

The above markets are listed in accordance with the requirements of the Central Bank, it being noted
the Central Bank does not issue a list of approved markets or stock exchanges.
APPENDIX II

INVESTMENT AND BORROWING RESTRICTIONS

The permitted investments and investment restrictions applying to the Company, in accordance with the qualifications and exemptions contained in the Regulations, and in the Notices issued by the Central Bank, are set out below. The Investment Manager may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the Company are placed. Any such further restrictions shall be in accordance with the requirements of the Central Bank's Notices;

General

1 Permitted Investments

Investments of the Company are confined to:

1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.

1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

1.3 Money market instruments, as defined in the Central Bank’s Notices, other than those dealt on a regulated market.

1.4 Units/shares of UCITS.

1.5 Units/shares of non-UCITS as set out in the Central Bank’s Guidance Note 2/03.

1.6 Deposits with credit institutions as prescribed in the Central Bank’s Notices.

1.7 Financial derivative instruments as prescribed in the Central Bank’s Notices.

2 Investment Restrictions

2.1 Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.

2.2 Each Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.2) within a year. This restriction will not apply in relation to investment by each Fund in certain US securities known as rule 144A securities provided that:
- the securities are issued with an undertaking to register with the US Securities and
Exchanges Commission within one year of issue; and

- the securities are not illiquid securities i.e. they may be realised by the Fund within seven
days at the price, or approximately at the price, at which they are valued by the Fund.

2.3 Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and
money market instruments issued by the same body provided that the total value of
transferable securities and money market instruments held in the issuing bodies in each of
which it invests more than 5% is less than 40%.

2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in
the case of bonds that are issued by a credit institution which has its registered office in a
Member State and is subject by law to special public supervision designed to protect bond-
holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer,
the total value of these investments may not exceed 80% of the net asset value of the Fund.

2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market
instruments are issued or guaranteed by a Member State or its local authorities or by a non-
Member State or public international body of which one or more Member States are
members.

2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not
be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7 Each Fund may not invest more than 20% of its Net Asset Value in deposits made with the
same credit institution.

Deposits with any one credit institution, other than a credit institution authorised in the EEA
(European Union Member States, Norway, Iceland, Liechtenstein), a credit institution
authorised within a signatory state (other than an EEA Member State) to the Basle Capital
Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit
institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as
ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Custodian.

2.8 The risk exposure of each Fund to a counterparty to an OTC derivative may not exceed 5% of
its Net Asset Value.

This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit
institution authorised within a signatory state (other than an EEA Member State) to the Basle
Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey,
Guernsey, the Isle of Man, Australia or New Zealand.
2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- risk exposures arising from OTC derivatives transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of Net Asset Value.

2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

2.12 Each Fund may invest up to 100% of its Net Asset Value in transferable securities and money market instruments issued by or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from OECD Governments (provided the relevant issues are investment grade), the European Investment Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, Euratom, the Asian Development Bank, the European Central Bank, the Council of Europe, Eurofima, the European Coal & Steel Community, the African Development Bank, the International Bank for Reconstruction and Development (The World Bank), the Inter American Development Bank, the European Union, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank and the Tennessee Valley Authority.

However, a Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of that Fund.

3. Investment in Collective Investment Schemes ("CIS")

3.1 Each Fund may invest no more than 20% of its Net Asset Value in any one CIS.

3.2 Investment in non-UCITS may not, in aggregate, exceed 30% of its Net Asset Value.

3.3 The CIS which each Fund may invest in are prohibited from investing more than 10 per cent of their own net asset value in other CIS.

3.4 When a Fund invests in the shares/units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a direct or indirect holding of more than 10% of the share capital or the voting rights, the Investment Manager or other
company may not charge subscription, conversion, redemption or management fees on account of a Fund's investment in the shares/units of such other CIS.

3.5 Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units/shares of another CIS, this commission must be paid into the property of the relevant Fund.

4. **General Provisions**

4.1 Each Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

4.2 Each Fund may acquire no more than:

   (i) 10% of the non-voting shares of any single issuing body;
   (ii) 10% of the debt securities of any single issuing body;
   (iii) 25% of the shares/units of any single CIS;
   (iv) 10% of the money market instruments of any single issuing body.

   **NOTE:** The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

4.3 4.1 and 4.2 shall not be applicable to:

   (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
   (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
   (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
   (iv) shares held by any Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 4.1 and 4.2, and provided that where these limits are exceeded, 4.5 and 4.6 are observed;
   (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares / units at shareholders’ / unitholders’ request exclusively on their behalf.

4.4 Each Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
4.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1 and 3.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

4.6 If the limits laid down herein are exceeded for reasons beyond the control of any Fund, or as a result of the exercise of subscription rights, then that Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

4.7 Neither the Investment Manager, nor any of the Funds, may carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of CIS; or
- financial derivative instruments.

In addition, for sales of financial derivative instruments, each Fund must comply with the coverage requirements of the Central Bank's Notices and Guidelines, as may be amended from time to time, and the Company's risk management process.

4.8 Each Fund may hold ancillary liquid assets.

5 Financial Derivative Instruments ("FDIs")

5.1 Each Fund's global exposure (as prescribed in the Central Bank's UCITS Notices) relating to FDI must not exceed its total net asset value.

5.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank's UCITS Notices (this provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank's UCITS Notices.)

5.3 Each Fund may invest in FDIs dealt in over-the-counter ("OTC's") provided that the counterparties to OTC's are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

5.4 Investment in FDIs is subject to the conditions and limits laid down by the Central Bank.

It is intended that any Fund should have power to avail of any change in the investment restrictions laid down in the Regulations which would permit investment by the Fund's in securities, derivative instruments or in any other forms of investment in which investment is as at the date of this Prospectus, restricted or prohibited under the Regulations.
Restrictions on Borrowing, Lending and Dealing

(1) Each Fund may only borrow an amount which in the aggregate does not exceed 10% of the Net Asset Value of the Fund. Such borrowings may, however, only be made on a temporary basis. Each Fund may give a charge over the assets of the Fund in order to secure borrowings.

Further, each Fund may not invest more than 10% of its Net Asset Value in partly paid securities.

(2) Each Fund may acquire foreign currency by means of a "back-to-back" loan. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions contained in the Regulations and (1) above, provided that the offsetting deposit:

(i) is denominated in the base currency of the Fund; and

(ii) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 69 of the Regulations and (1) above.

(3) Each Fund may not, save as set out in (1) above, mortgage, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and margin paid with respect to the writing of options or the purchase or sale of derivative contracts, are not deemed to be the pledge of the assets.

(4) Without prejudice to the powers of each Fund to invest in transferable securities, each Fund may not lend or act as guarantor on behalf of third parties.

(5) Each Fund may engage in stocklending and enter into repurchase and reverse repurchase agreements for the purpose of efficient portfolio management, subject to the conditions and limits set out in the UCITS Notices.
The Directors of Polar Capital Funds public limited company (the “Company”), whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

GLOBAL TECHNOLOGY FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and New York and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least two Dealing Days in each calendar month).

“Index”, the Dow Jones World Technology Index (Bloomberg Ticker W1TEC), an index consisting of industries experiencing rapid product changes due primarily to scientific advances; the Dow Jones World Technology Index is quoted in US Dollars.

“Share Class” or “Share Classes”, such Share Class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Global Technology Fund being the US Dollar Share Class, the Sterling Share Class, the Euro Share Class, the Class R US Dollar Share Class, the Class R Sterling Share Class, the Class R Euro Share Class, the Class I US Dollar Share Class, the Class I Sterling Share Class and the Class I Euro Share Class.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds, each fund representing a single portfolio of assets with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a sub-fund. As at the date of this Supplement the other existing funds of the Company are; the Japan Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

It is not the current intention to accept subscriptions, other than from existing investors, in respect of the US Dollar Share Class, the Sterling Share Class or the Euro Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any application for US Dollar Share Class, the Sterling Share Class or the Euro Share Class.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is US Dollars.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.
INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is long term capital appreciation by way of investing in a globally diversified portfolio of technology companies. Although the Fund may receive income in the form of dividends, interest and from other sources, income is not a primary consideration. The Fund will invest at least two thirds of its total assets in technology-related companies worldwide. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or single country. To the extent permitted by the investment restrictions described in Appendix II of the Prospectus, the Fund will achieve its investment objectives by investing in a wide range of securities which may be listed on a Regulated Market or unlisted. Subject to the investments restrictions described in Appendix II of the Prospectus, investments will be made in transferable securities including, but not limited to, shares, equity warrants and other types of securities such as preferred shares, securities convertible into shares which may be listed on a Regulated Market or unlisted and issued by companies and governments.

The Fund may, subject to the investment restrictions described in Appendix II of the Prospectus, also invest in either closed-end or open-end investment funds which are listed on a Regulated Market and which invest in any of the transferable securities referred to above.

While observing the risk diversification rules set forth in the investment restrictions described in Appendix II of the Prospectus, the Fund may also invest in global American and European depository receipts.

As set out under “Financial Derivative Instruments and Techniques for Efficient Portfolio Management” in the Investment Objectives and Policies section of the Prospectus, for the purposes of maximising portfolio returns, the Fund may also, within the limits set forth in the investment restrictions described in Appendix II engage in a policy of currency hedging and make use of derivatives for efficient portfolio management when it is thought to be appropriate.

Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following purposes: (a) a reduction of risk; (b) a reduction of cost with no increase or a minimal increase in risk; (c) generation of low level risk (relative to the expected return); (d) reduction of market exposure and (e) to protect Shareholder value when the Investment Manager feels it appropriate to do so.

The Fund may, on an ancillary basis, hold liquid assets comprising cash and money market funds listed on a Regulated Market having a residual maturity of less than 12 months, subject to the limitation on investment in other collective investment schemes below.

INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of Financial Services Regulator. These are set out in detail in Appendix II of the Prospectus. The Fund will not invest (i) greater than 5% of its Net Asset Value in equity warrants or (ii) greater than 15% of its Net Asset Value in securities listed or traded on emerging markets. The Fund will not invest more than 10% of its Net Asset Value in other open-ended collective investment schemes.
MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual managers at Polar Capital LLP with prime responsibility for the Fund are:-

**Ben Rogoff** – studied history at Oxford University before joining the equity sales desk at Dean Witter International in 1995. Two years later, Ben moved to Clerical Medical Investment Management as a global technology analyst and he was appointed as a senior technology fund manager by Aberdeen Fund Managers in 1998. Ben joined the Investment Manager’s global technology team in 2003.

**Nick Evans** - joined Polar Capital LLP in September of 2007 having formerly been at Axa Framlington Investment Management as a senior fund manager running the Technology team. Nick joined Axa Framlington in August 2000 and was lead manager of both the Axa Framlington Global Tech Fund and the AWF Framlington Global Tech Fund. Previously he had spent 3 years at Hill Samuel Asset Management as an Investment Manager of Pan-European equities.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary (“Administrator”) to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value attributable to the Fund and the Net Asset Value of the Share Classes will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value of the Fund as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00p.m. (Irish time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the mid price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.


DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend in respect of each of the Fund's Share Classes.

Any dividend declared by the Fund will be paid only out of the Fund's net investment income return for an accounting period (i.e. the dividends, interest or other income earned by the Fund on its investments in that period less the Fund’s expenses attributable to that period). Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period. Any dividend paid on a Share that is unclaimed by the relevant Shareholder will not earn interest; and if that dividend is not claimed within six years of its declaration it shall be forfeited and shall be escheated for the benefit of the Fund.

Dividends payable to Shareholders will be reinvested at the time such dividends are paid by subscription for further Shares, unless Shareholders specifically request that dividends be paid in cash. Failure by a Shareholder to provide required documentation in connection with anti-money laundering procedures will result in a Shareholder's dividend being automatically reinvested.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Distribution entitlements of US$100 or more will, unless instructions to the contrary are received from the Shareholder at least twenty one days before the date on which the dividend is to be paid, be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution.

Any such reinvestment of a Shareholder’s dividend entitlement will be made, on the relevant dividend payment date, by the Directors acting as nominee and agent for and for the account of the Shareholder concerned in their receipt of the Shareholder’s income and in their payment of such income to the Company in subscription for further Shares. If a Shareholder’s dividends are reinvested, there is no preliminary charge payable on the reinvestment.

A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the election.

UK "OFFSHORE FUNDS" REGIME

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the
Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

**MINIMUM SUBSCRIPTION AND MINIMUM HOLDING**

**US Dollar Share Class, Sterling Share Class and Euro Share Class**

There is no minimum subscription or minimum holding requirement for the US Dollar Share Class, the Sterling Share Class or the Euro Share Class.

**Class R US Dollar Share Class, Class R Sterling Share Class and Class R Euro Share Class**

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Share Class, the Class R Sterling Share Class or the Class R Euro Share Class.

**Class I US Dollar Share Class, Class I Sterling Share Class, Class I Euro Share Class**

The Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent). The aggregate of an investor's investments in the US Dollar Share Class, the Sterling Share Class or the Euro Share Class, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.
The minimum subscription and minimum holding requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.

**SUBSCRIPTIONS**

**US Dollar Shares, Sterling Shares and Euro Shares**

It is not the current intention to accept subscriptions, other than from existing investors, in respect of the US Dollar Share Class, the Sterling Share Class or the Euro Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any application for US Dollar Share Class, the Sterling Share Class or the Euro Share Class.

**Procedure**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares calculated as at the Valuation Point on the relevant Dealing Day. Any applications received after that time will be held over until the next Dealing Day.
Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company's register of Shareholders and ownership confirmations will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in U.S. Dollars or the equivalent thereof) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).
Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription. The Directors currently intend to reject applications if, as a result of accepting them, the Net Asset Value of the Fund would materially exceed US$400 million, although this figure may be updated to reflect changes in the market prices for technology securities.

Subscription Monies

Method of Payment

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund. However, the Company may accept payment in such other currencies as the Administrator may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares calculated as at the Valuation Point on the relevant Dealing Day.
Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will normally be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him. If Shares are held in certificated form a certificate for the remaining Shares will be sent by post to the Shareholder (at his own risk).

Redemption Price

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (i) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

Fractions

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-
(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

Method of Payment

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

Currency of Payment

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.
SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by telephone order to the Administrator or written application to the Administrator on such switching form as may be prescribed by the Directors. Telephone orders may be placed with the Administrator on + 353 1 4345007.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- \( A \) = number of Shares of the New Class to be allocated
- \( B \) = number of Shares of the Original Class to be converted
- \( C \) = redemption price per Share on the relevant Dealing Day for the Original Class
- \( D \) = the currency conversion factor determined by the Administrator
- \( E \) = subscription price per Share on the relevant Dealing Day for the New Class

FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

Investment Management Fees

US Dollar Share Class, Sterling Share Class and Euro Share Class
The management fee payable in respect of the US Dollar Shares, the Sterling Shares and the Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the US Dollar Shares, the Sterling Shares and the Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee payable in respect of the US Dollar Shares, the Sterling Shares and the Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per US Dollar Share exceeds the Indexed Net Asset Value per US Dollar Share as at the Payment Date multiplied by the weighted average number of total US Dollar Shares, Sterling Shares and Euro Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per US Dollar Share is calculated by adjusting the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per US Dollar Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the US Dollar Shares, the Sterling Shares and Euro Shares outperforms the Index. If, during a performance fee period, the performance of the US Dollar Shares, the Sterling Shares and Euro Shares does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee the amount of performance fee included in the Net Asset Value per US Dollar Share at the relevant Payment Date shall be the smaller of 10% of the outperformance of the Index or 10% of the appreciation in the Net Asset Value per US Dollar Share over the relevant Net Asset Value per US Dollar Share on the last day that a performance fee was paid (the “Net Asset Value High Water Mark”). The performance fee is only payable on the increase over the Indexed Net Asset Value. There will be a carrying forward of any unutilised performance fee.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class R US Dollar Share Class, Class R Sterling Share Class and Class R Euro Share Class**
The management fee payable in respect of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R US Dollar, Class R Sterling and Class R Euro Shares Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R US Dollar Share exceeds the Indexed Net Asset Value per Class R US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar, Class R Sterling and Class R Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class R US Dollar Share is calculated by adjusting the Net Asset Value per Class R US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R US Dollar Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares do not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.
Class I US Dollar Share Class, Class I Sterling Share Class and Class I Euro Share Class

The management fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I US Dollar Share exceeds the Indexed Net Asset Value per Class I US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Shares, Class I Sterling Shares and Class I Euro Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per Class I US Dollar Share is calculated by adjusting the Net Asset Value per Class I US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares do not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.
RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

The value of Shares may be susceptible to factors affecting technology related industries and to greater risk and market fluctuation than investment in a broader range of portfolio securities covering different economic sectors. Technology and technology related industries may also be subject to greater government regulation than many other industries. Accordingly, changes in governmental policies and the need for regulatory approvals may have a materially adverse affect on these industries. Additionally, these companies may be subject to risk of developing technologies, competitive pressures and other factors and are dependent upon consumer and business acceptance as new technologies evolve. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in smaller capitalisation businesses.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company (the “Company”), whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

JAPAN FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin, London and Tokyo and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least two Dealing Days in each calendar month).

“Index”, the TOPIX Total Return Index (TPXDDVI) which represents the total return (i.e. all cash distributions reinvested) of the TOPIX Index, a capitalisation weighted index of all the companies listed on the First Section of the Tokyo Stock Exchange. The index is supplemented by the sub-indices of the 33 industry sectors. The index calculation excludes temporary issues and preferred stocks.

“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Japan Fund being the US Dollar Share Class, the Sterling Share Class, the Japanese Yen Share Class, the Class R US Dollar Share Class, the Class R Sterling Share Class, the Class R Japanese Yen Share Class, the Class R Euro Share Class, the Class I US Dollar Share Class, the Class I Sterling Share Class, the Class I Japanese Yen Share Class, the Class I Euro Share Class, the Class R Hedged US Dollar Share Class, the Class R Hedged Sterling Share Class, the Class R Hedged Euro Share Class, the Class I Hedged US Dollar Share Class, the Class I Hedged Sterling Share Class, and the Class I Hedged Euro Share Class.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
JAPAN FUND
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different sub-funds, each fund represents a single portfolio of assets, with segregated liability between sub-funds. Each sub-fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a sub-fund. As at the date of this Supplement the other existing sub-funds of the Company are: the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

It is not the current intention to accept subscriptions, other than from existing investors, in respect of the US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any application for US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is Japanese Yen.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.
INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to achieve long term capital growth by investing primarily (meaning not less than two thirds of the Fund’s total assets) in securities of issuers that exercise a preponderant part of their economic activities in Japan or are organised under the laws of Japan. The Fund intends to invest up to 100% of its assets in securities listed on the Tokyo and regional Japanese exchanges that are Regulated Markets. Subject to the investment restrictions described in Appendix II of the Prospectus, investments will be made in transferable securities including but not limited to shares, equity warrants and other types of securities such as preferred shares, securities convertible into shares which may be listed on a Regulated Market or unlisted and issued by companies and governments. The Fund will seek to outperform the Index whilst striving to limit the volatility of the Funds returns. The Investment Manager will apply an investment approach which will be research driven, employing a multi-factor methodology. The Investment Manager will first analyse strategic macro trends, both in a domestic and a global context, to establish broad sectoral consequences. Then a stock picking approach will be applied to individual companies, with specific emphasis on both “value” and “growth” characteristics and on comparative opportunities. This multi-dimensional approach is flexible and continuously responsive, with the overall aim of minimising the potential for permanent capital loss.

Whilst large companies will dominate stock selection, medium and small capitalisation issues will also be utilised where opportunities arise. The Investment Manager will place great emphasis on visibility and reliability of company data.

As set out under “Financial Derivative Instruments and Techniques for Efficient Portfolio Management” in the Investment Objectives and Policies section of the Prospectus, for the purposes of maximising portfolio returns, the Fund may also, within the limits set forth in the investment restrictions described in Appendix II engage in a policy of currency hedging and make use of derivatives for efficient portfolio management when it is thought to be appropriate.

Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following purposes: (a) a reduction of risk; (b) a reduction of cost with no increase or a minimal increase in risk; (c) generation of low level risk (relative to the expected return); (d) reduction of market exposure and (e) to protect Shareholder value when the Investment Manager feels it appropriate to do so.

INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus. The Fund will not invest (i) greater than 5% of its Net Asset Value in equity warrants or (ii) greater than 15% of its Net Asset Value in securities listed or traded on emerging markets. The Fund will not invest more than 10% of its Net Asset Value in other open-ended collective investment schemes.
MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company.

James Salter

The individual manager at Polar Capital LLP with prime responsibility for the Fund is James Salter. Prior to becoming Director of Japanese Equities at Polar Capital, James Salter was a Director of Bonfield Asset Management Limited (“Bonfield”), which he joined in 1999 after being a senior fund manager at Schroder Investment Management where he was responsible for the Schroder Japan Growth Fund PLC. From 1992 to 1996 he was a Director at Martin Currie Investment Management, jointly managing the Martin Currie Japan Unit Trust. From 1989 to 1992 he was an assistant fund manager on the Japanese desk at Foreign & Colonial.

Gerard Cawley

Gerard Cawley is co-manager of the Fund, with specific research responsibility for the technology sector, and is based in the London office. Gerard gained five years experience in Japanese equities as an Assistant Fund Manager at Schroder Investment Management prior to joining Polar Capital LLP in 2005. Gerard graduated from Dublin City University Business School and is a CFA charterholder.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes will be calculated by the Administrator as at the Valuation Point in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in Japanese Yen. The Net Asset Value as at the Valuation Point on a Dealing Day will normally be available the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

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DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend in respect of each of the Fund's Share Classes.

Any dividend declared by the Fund will be paid only out of the Fund's net investment income return for an accounting period (i.e. the dividends, interest or other income earned by the Fund on its investments in that period less the Fund's expenses attributable to that period). Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period. Any dividend paid on a Share that is unclaimed by the relevant Shareholder will not earn interest; and if that dividend is not claimed within six years of its declaration it shall be forfeited and shall be escheated for the benefit of the Fund.

Dividends payable to Shareholders will be reinvested at the time such dividends are paid by subscription for further Shares, unless Shareholders specifically request that dividends be paid in cash. Failure by a Shareholder to provide required documentation in connection with anti-money laundering procedures will result in a Shareholder’s dividend being automatically reinvested.

Any distribution for dividend entitlements of less than JPY10,000 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Distribution entitlements of JPY10,000 or more will, unless instructions to the contrary are received from the Shareholder at least twenty one days before the date on which the dividend is to be paid, be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution.

Any such reinvestment of a Shareholder’s dividend entitlement will be made, on the relevant dividend payment date, by the Directors acting as nominee and agent for and for the account of the Shareholder concerned in their receipt of the Shareholder’s income and in their payment of such income to the Company in subscription for further Shares. If a Shareholder’s dividends are reinvested, there is no preliminary charge payable on the reinvestment.

A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the election.

UK "OFFSHORE FUNDS" REGIME

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the
Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

HEDGED CLASSES

The Fund will enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular Class into the currency of denomination of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets or liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains or losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. A Class will not be leveraged as a result of currency hedging transactions.

Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions materially in excess of 100% of Net Asset Value will not be carried forward. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line (subject to interest rate differentials and associated dealing costs) with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.
SUBSCRIPTIONS

US Dollar Share Class, Sterling Share Class and Japanese Yen Share Class

It is not the current intention to accept subscriptions other than from existing investors in respect of the US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any application for US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class.

Procedure

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day (or such later time as the Directors may determine provided that it may be received no later than the time of determination of the Net Asset Value as at the Valuation Point on the Dealing Day). The original of the Application Form (and supporting documentation in relation to money laundering prevention checks) should be promptly sent by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate. Telephone orders may be placed with the administrator on +(353 1) 434 5007

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares calculated as at the Valuation Point on the relevant Dealing Day. Any applications received after that time will be held over until the next Dealing Day.
Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in Japanese Yen or the equivalent thereof) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).
Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription. The Directors currently intend to reject applications if, as a result of accepting them, the Net Asset Value of the Fund would materially exceed JPY 100 billion, although this figure may be updated to reflect changes in the market for Japanese securities.

Subscription Monies

Method of Payment

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund. However, the Company may accept payment in such other currencies as the Administrator may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

Minimum Subscriptions/Holdings

US Dollar Shares, Sterling Shares and Japanese Yen Shares.

There are no applicable Minimum Subscription or Minimum Holding requirements.


There are no applicable Minimum Subscription or Minimum Holding requirements.

The Minimum Subscription and Minimum Holding requirement is JPY 100 Million.

The Directors may, in their sole discretion, waive or reduce, in whole or in part, the Minimum Subscription and Minimum Holding requirement.

**REDEMPTIONS**

**Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on + (353 1) 434 5007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares calculated as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day (or such later time as the Directors may determine provided that it may be received no later than the time of the determination of the Net Asset Value as at the Valuation Point on the Dealing day). If the redemption request is received after the designated time it will normally be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him. If Shares are held in certificated form a certificate for the remaining Shares will be sent by post to the Shareholder (at his own risk).
Redemption Price

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

Fractions

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

Method of Payment

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

Currency of Payment

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.
In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

**Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

**SWITCHING**

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by telephone order to the Administrator or written application to the Administrator on such switching form as may be prescribed by the Directors. Telephone orders may be placed with the Administrator on + (353 1) 434 5007.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]
Where

A = number of Shares of the New Class to be allocated
B = number of Shares of the Original Class to be converted
C = redemption price per Share on the relevant Dealing Day for the Original Class
D = the currency conversion factor determined by the Administrator
E = subscription price per Share on the relevant Dealing Day for the New Class

FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

Investment Management Fees

The Investment Manager is entitled to receive a management fee and a performance fee together with any extraordinary out of pocket expenses. The Investment Manager shall be responsible for discharging from this fee the fees of the Investment Advisers.

US Dollar, Sterling and Japanese Yen Share Classes

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for the US Dollar, Sterling and Japanese Yen Shares Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average
number of total US Dollar, Sterling and Japanese Yen Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per JPY Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee the amount of performance fee included in the Net Asset Value per JPY Share at the relevant Payment Date shall be the smaller of 10% of the outperformance of the Index or 10% of the appreciation in the Net Asset Value per JPY Share over the relevant Net Asset Value per JPY Share on the last day that a performance fee was paid (the “Net Asset Value High Water Mark”). There will be a carrying forward of any unutilised performance fee.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.

**Class R US Dollar, Class R Sterling, Class R Japanese Yen and Class R Euro Share Classes.**

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.
The performance fee for the Class R US Dollar, Class R Sterling, Class R Japanese Yen and Class R Euro Share Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average number of total US Dollar, Sterling, Japanese Yen and Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class I US Dollar, Class I Sterling, Class I Japanese Yen and Class I Euro Share Classes.**

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for Class I US Dollar, Class I Sterling, Class I Japanese Yen and Class I Euro Shares Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average number of total US Dollar, Sterling, Japanese Yen and Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.
The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class R Hedged US Dollar, Class R Hedged Sterling and Class R Hedged Euro Share Classes**

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares exceeds the Indexed Net Asset Value for the Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares as at the Payment Date multiplied by the weighted average number of Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Shares is calculated by adjusting the Net Asset Value for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Shares as at the date on which the last performance fee was paid for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Shares by the comparative performance of
The Index since the date on which the last performance fee was paid for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Share or the date of issue of the relevant Shares, whichever is later.

The index performance for the relevant period is adjusted to reflect a hedge into US dollars Sterling and Euros, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share Class and Class I Hedged Euro Share Classes.

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable

The performance fee for Class I Hedged US Dollar, Class I Hedged Sterling Share and Class I Hedged Euro Share Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class I Hedged US Dollar Shares, the Class I Hedged Sterling Shares and Class I Hedged Euro Shares exceeds the Indexed Net Asset Value for each Class I Hedged US Dollar Share, the Class I Hedged Sterling Share and Class I Hedged Euro Shares as at the Payment Date multiplied by the weighted average number of Class I Hedged US Dollar Shares and the Class I Hedged Sterling Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each the Class I Hedged US Dollar Share, Class I Hedged Sterling Share and Class I Hedged Euro Shares is calculated by adjusting the Net Asset Value for each Class
I Hedged US Dollar Share, the Class I Hedged Sterling Share and Class I Hedged Euro Shares as at the date on which the last performance fee was paid for each Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share and Class I Hedged Euro Shares Class by the comparative performance of the Index since the date on which the last performance fee was paid for each Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share Class and Class I Hedged Euro Shares or the date of issue of the relevant Shares, whichever is the later.

The index performance for the relevant period is adjusted to reflect a hedge into US dollars, Sterling and Euros, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

HEALTHCARE OPPORTUNITIES FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanged/markets are open for normal banking business in Dublin and London and New York and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Index”, the MSCI Global Health Care Index is a global index that measures the performance of a group of related industries that comprise the health care sector in developed markets.

“Official List and the Main Securities Market” the Official List and Main Securities Market of the Irish Stock Exchange

“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Healthcare Opportunities Fund being the US Dollar Share Class, the Sterling Share Class, the Euro Share Class, the Class R US Dollar Share Class, the Class R Sterling Share Class, the Class R Euro Share Class, the Class I US Dollar Share Class, the Class I Sterling Share Class and the Class I Euro Share Class.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
HEALTHCARE OPPORTUNITIES FUND
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

It is not the current intention to accept subscriptions, other than from existing investors, in respect of the US Dollar Share Class, the Sterling Share Class or the Euro Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any application for US Dollar Share Class, the Sterling Share Class or the Euro Share Class.

As the Fund will make investments in equity warrants, an investment in the Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secretary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is US Dollars.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and...
believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to preserve capital and achieve long term capital appreciation.

INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of healthcare companies. The Fund will at all times invest at least two thirds of its total assets (excluding cash) in healthcare-related companies worldwide. Subject to the investment restrictions described in Appendix II of the Prospectus, investments will be made in transferable securities including, but not limited to, shares, equity warrants and other types of securities such as preferred shares, which may be listed on a Regulated Market or unlisted, and issued by companies, and Global, American and European depository receipts. The Fund may not invest more than 10% of its Net Asset Value in unlisted securities.

The Fund will seek to outperform the MSCI Global Healthcare Index whilst striving to limit the volatility of the Fund’s returns. The Investment Manager will use a multi-factor methodology to screen a broad universe of global healthcare companies. A fundamental research-driven approach (based on proprietary analysis) will then be employed to derive a concentrated portfolio of investments.

There will not be a decisive emphasis on any particular size of companies dominating the stock selection. Instead the Investment Manager will invest in large, medium and small capitalisation issues depending on market liquidity and as it judges the available opportunities. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or in any sub-sector of healthcare.

Non-healthcare related securities will not exceed one third of the Fund’s total assets.

The Fund may, on an ancillary basis, hold liquid assets comprising cash and money market funds listed on a Regulated Market having a residual maturity of less than 12 months, subject to the limitation on investment in collective investment schemes below. The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to the limitation on investment in collective investment schemes below.

For the purposes of maximising portfolio returns, use may also be made of permitted derivative instruments including, but not limited to futures, options, contracts for differences, swaps and forwards, for efficient portfolio management purposes which purposes principally include the following: (a) hedging, i.e. a reduction of risk; (b) a reduction of cost with no increase or a minimal increase in risk; (c) generation of low level risk (relative to the expected return); (d) reduction of market exposure; (e) to protect Shareholder value when the Investment Manager feels it appropriate to do so and (f) to indirectly gain exposure to an underlying security where the Investment Manager feels it is more efficient to do so. Other techniques and instruments may be developed which may be suitable for use by the Fund and the Investment Manager may, (subject to the conditions and within the limits laid
down by the Central Bank and in accordance with the risk management statement cleared by the Central Bank) employ such techniques and instruments for the purposes of efficient portfolio management.

The Fund may engage in stocklending and enter into repurchase and reverse repurchase agreements for the purpose of efficient portfolio management, subject to the conditions and limits set out in the Central Bank’s UCITS Notices.

INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus. The Fund will not invest more than 10% of its Net Asset Value in other open-ended collective investment schemes.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual managers at Polar Capital LLP with prime responsibility for the Fund are Gareth Powell and Daniel Mahony.

Gareth Powell

Gareth joined Polar Capital from AXA Framlington, where he was fund manager of the AXA Framlington Biotech Fund. Gareth joined AXA Framlington in 1999 from Exeter College, Oxford University, where he studied Biochemistry. During his time at Oxford, Gareth worked at Yamanouchi, a leading Japanese Pharmaceutical company (later to become Astellas) funded by a grant from the Medical Research Council, and at a variety of academic laboratories. These included the Sir William Dunn School of Pathology in Oxford and the Wolfson Institute for Biomedical Research, receiving sponsorship for this placement through the Wellcome Trust. He also worked as a research analyst for the lecturer of the MBA with Life Sciences at the Oxford Business School.

Daniel Mahony Ph.D.

Daniel has 9 years experience as a sell-side analyst following the healthcare sector. He was most recently senior healthcare analyst at Morgan Stanley leading a team that covered the European biotechnology, medical technology and healthcare services industries. Prior to joining Morgan Stanley, he spent two years at ING Barings in New York following the US biotechnology sector. Before moving to Wall Street, Daniel worked as a research scientist for Schering Plough Corporation in California. Daniel received his PhD from Cambridge University in 1995 and a first class honours degree in Biochemistry from Oxford University in 1991.
Anna Sizova – Analyst

Anna joined Polar Capital after spending 2 years at Morgan Stanley Equity Research. She was most recently the healthcare analyst covering European medical technology sector. Prior to joining Morgan Stanley, she spent 5 years at Johnson & Johnson, Medical Devices and Diagnostics group, where she performed a number of roles in marketing and finance. Anna holds an MBA degree from London Business School and a degree in Theoretical and Applied Linguistics from Moscow State University.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company's assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend in respect of each of the Fund's Share Classes.

Any dividend declared by the Fund will be paid only out of the Fund's net investment income return for an accounting period (i.e. the dividends, interest or other income earned by the Fund on its investments in that period less the Fund's expenses attributable to that period). Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period. Any dividend paid on a Share that is unclaimed by the relevant Shareholder will not earn interest; and if that dividend is not claimed within six years of its declaration it shall be forfeited and shall be escheated for the benefit of the Fund.
Dividends payable to Shareholders will be reinvested at the time such dividends are paid by subscription for further Shares, unless Shareholders specifically request that dividends be paid in cash. Failure by a Shareholder to provide required documentation in connection with anti-money laundering procedures will result in a Shareholder's dividend being automatically reinvested.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Distribution entitlements of US$100 or more will, unless instructions to the contrary are received from the Shareholder at least twenty one days before the date on which the dividend is to be paid, be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution.

Any such reinvestment of a Shareholder’s dividend entitlement will be made, on the relevant dividend payment date, by the Directors acting as nominee and agent for and for the account of the Shareholder concerned in their receipt of the Shareholder’s income and in their payment of such income to the Company in subscription for further Shares. If a Shareholder's dividends are reinvested, there is no preliminary charge payable on the reinvestment.

A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the election.

**UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.
The Fund’s "reportable income", for this purpose, means, broadly, the income shown in the Fund’s accounts for an accounting period, subject to the addition of certain sums to the Fund’s accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

MINIMUM SUBSCRIPTION AND MINIMUM HOLDING

US Dollar Share Class, Sterling Share Class and Euro Share Class

There is no minimum subscription or minimum holding requirement for the US Dollar Share Class, the Sterling Share Class or the Euro Share Class.

Class R US Dollar Share Class, Class R Sterling Share Class and Class R Euro Share Class

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Share Class, the Class R Sterling Share Class or the Class R Euro Share Class.

Class I US Dollar Share Class, Class I Sterling Share Class, Class I Euro Share Class

The Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent). The aggregate of an investor’s investments in the US Dollar Share Class, the Sterling Share Class or the Euro Share Class, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.

SUBSCRIPTIONS

US Dollar Shares, Sterling Shares and Euro Shares

It is not the current intention to accept subscriptions, other than from existing investors, in respect of the US Dollar Share Class, the Sterling Share Class or the Euro Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any application for US Dollar Share Class, the Sterling Share Class or the Euro Share Class.

Procedure

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to
whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-
(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company's register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in U.S. Dollars or the equivalent thereof) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

**Subscription Monies**

**Method of Payment**
Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

**Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund. However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

**Minimum Subscriptions/Holdings**

There are no applicable Minimum Subscription or Minimum Holding requirements.

**REDEMPTIONS**

**Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).
Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.
Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by telephone order to the Administrator or written application to the Administrator on such switching form as may be prescribed by the Directors. Telephone orders may be placed with the Administrator on +353 1 4345007.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).
The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

A = number of Shares of the New Class to be allocated
B = number of Shares of the Original Class to be converted
C = redemption price per Share on the relevant Dealing Day for the Original Class
D = the currency conversion factor determined by the Administrator
E = subscription price per Share on the relevant Dealing Day for the New Class

FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

Investment Management Fees

**US Dollar Share Class, Sterling Share Class and Euro Share Class**

The management fee payable in respect of the US Dollar Shares, the Sterling Shares and the Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the US Dollar Shares, the Sterling Shares and the Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee payable in respect of the US Dollar Shares, the Sterling Shares and the Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per US Dollar Share exceeds the Indexed Net Asset Value per US Dollar Share as at the Payment Date...
multiplied by the weighted average number of total US Dollar Shares, Sterling Shares and Euro Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per US Dollar Share is calculated by adjusting the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index over the same period.

For the purposes of the performance fee calculation, the Net Asset Value per US Dollar Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the US Dollar Shares, the Sterling Shares and the Euro Shares outperform the Index. If, during a performance fee period, the performance of the US Dollar Shares, the Sterling Shares and the Euro Shares do not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee the amount of performance fee included in the Net Asset Value per US Dollar Share at the relevant Payment Date shall be the smaller of 10% of the outperformance of the Index or 10% of the appreciation in the Net Asset Value per US Dollar Share over the relevant Net Asset Value per US Dollar Share on the last day that a performance fee was paid (the “Net Asset Value High Water Mark”). The performance fee is only payable on the increase over the Indexed Net Asset Value. There will be a carrying forward of any unutilised performance fee.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class R US Dollar Shares, Class R Sterling Class Shares and Class R Euro Shares Class**

The management fee payable in respect of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for the Class R US Dollar, Class R Sterling and Class R Euro Shares Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R
US Dollar Share exceeds the Indexed Net Asset Value per Class R US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar, Class R Sterling and Class R Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class R US Dollar Share is calculated by adjusting the Net Asset Value per Class R US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares outperforms the Index. If, during a performance fee period, the performance of the Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares do not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class I US Dollar Shares, Class I Sterling Class Shares and Class I Euro Shares Class**

The management fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I US Dollar Share exceeds the Indexed Net Asset Value per Class I US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Shares, Class I Sterling Shares and Class I Euro Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per Class I US Dollar Share is calculated by adjusting the Net Asset Value per Class I US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.
For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares do not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

**RISK FACTORS**

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

UK ABSOLUTE RETURN FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Company”, means Polar Capital Funds public limited company.

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Fund”, means the UK Absolute Return Fund.

“Official List and the Main Securities Market”, the Official List and Main Securities Market of the Irish Stock Exchange

“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Fund being the Class R Sterling Share Class, the Class R US Dollar Share Class, the Class R Euro Share Class, the Class I Sterling Share Class, the Class I US Dollar Share Class, the Class I Euro Share Class, the Class I Hedged US Dollar Share Class, the Class I Hedged Euro Share Class, the Class R Hedged Euro Share Class and the Class R Hedged US Dollar Share Class.

“Valuation Point”, 12 Noon (Irish Time) on the relevant Dealing Day.
UK ABSOLUTE RETURN FUND
(the “Fund”)

INTRODUCTION

The Company is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Insurance Fund and the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

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

The base currency of the Fund is Sterling. It is not the intention that the Class R US Dollar Share Class, the Class R Euro Share Class, the Class I US Dollar Share Class or the Class I Euro Share Class be hedged against the base currency of the Fund. The Class I Hedged US Dollar Share Class, Class I Hedged Euro Share Class, the Class R Hedged Euro Share Class and the Class R Hedged US Dollar Share Class will be hedged against the base currency of the Fund.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.
INVESTMENT OBJECTIVE

The Fund's investment objective is to achieve absolute returns, regardless of the direction of the UK stock market.

INVESTMENT POLICIES

The Fund will invest in, or take exposure through the use of financial derivative instruments, as described below, predominantly in the equities of United Kingdom companies and, to a significantly lesser degree, European and global equities. The Fund may therefore, at any one time, be significantly invested in financial derivative instruments. No more than 5% of the Net Asset Value of the Fund will be invested in companies with a market capitalisation of less than Stg£250 million at the time of initial purchase.

The Investment Manager will adopt what it believes to be an overall risk averse approach to investment, using derivatives, which will include taking synthetic short positions through the use of derivatives, to seek both to protect and to enhance the absolute returns achieved. The derivatives in which the Fund may invest include futures, options, swaps, contracts for difference, convertible bonds, equity-linked notes, adjustable rate index notes, warrants and other equity derivatives. Use of derivatives will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Company as cleared by the Central Bank.

Position exposure to underlying assets of derivative instruments when combined with positions resulting from direct investments will not exceed the investment restrictions set out in Appendix II of the Prospectus and Central Bank's Notice. The Fund may be leveraged through the use of derivatives. Under normal market conditions, the Fund's net exposure will not at any time exceed the following limits:

Net short exposure: 40%
Net long exposure: 40%

The Fund’s global exposure (as prescribed in the Central Bank’s Notices) relating to derivatives will be measured using an advanced risk management methodology in accordance with Central Bank requirements. Any such exposure will be restricted by the adoption of an overall maximum Value at Risk target for the Fund of 5% of the Net Asset Value of the Fund.

Subject to the investment restrictions described in Appendix II of the Prospectus, the Fund may invest in a diversified range of instruments, both to enhance returns and to seek to preserve investors’ capital during market falls, such as swaps, contracts for differences, convertible bonds, equity-linked notes, adjustable rate index notes, options, warrants, futures and other equity derivatives which may be listed on a Regulated Market or unlisted and investment grade debt securities as rated by Standard & Poor’s and other recognised agencies. No more than 10% of the Fund’s Net Asset Value will be invested in unlisted securities.

The Fund may, in addition, invest in fixed and/or floating rate government, government agency and investment grade corporate bonds as rated by Standard & Poor’s and other recognised agencies, and
their associated derivative securities, in preferred stock and monetary instruments and may hold cash and treasury bills (pending reinvestment). Investment in these instruments will be used for defensive purposes rather than as a method of achieving capital growth.

The Fund may, on an ancillary basis, hold liquid assets comprising cash and money market funds listed on a Regulated Market having a residual maturity of less than 12 months and may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to the limitation on investment in collective investment schemes below.

The Investment Manager may, within the limits set forth in the investment restrictions described in Appendix II, and in accordance with the requirements of the Central Bank, engage in a policy of currency hedging when it is thought to be appropriate and in the best interests of the Fund.

Investment Strategies and Stock Selection

The Investment Manager will identify investment opportunities through a combination of qualitative and quantitative analysis. In addition, the Investment Manager will focus on thematic issues and technical analysis.

Capital preservation will be the Investment Manager’s primary consideration when making investment decisions and as such the Investment Manager will consistently analyse opportunities on a risk-reward basis at both the stock-specific and portfolio aggregate levels.

The Investment Manager will identify such opportunities through formulation of economic and financial market theses, monitoring of company news-flow and examination of technical indicators and valuation metrics. These opportunities will then be both qualitatively and quantitatively assessed on a stock-specific level.

The Investment Manager will strive to think differently about investing and will employ a process that enables the Investment Manager to implement a dispassionate and objective analysis of stocks. The Investment Manager’s primary sources of information are company annual reports and meetings with management, both with the company under analysis and also its competitors where possible. The Investment Manager will focus its initial analysis upon the industry in which the company operates as the Investment Manager believes factors such as sector growth, barriers to entry and competitive environment are key drivers of financial variables. Additional avenues of investigation may include aspects such as change in management, turnaround potential, hidden value and intrinsic worth. The Investment Manager will then build financial models for the income statement, balance sheet and cash flow, with an emphasis upon capital structure, cash generation and invested capital, to enable the Investment Manager to predict future return profiles and potential shareholder value creation / destruction. The Investment Manager will model best, worst and base-case scenarios to enable the Investment Manager to quantify the risk-reward profile. The process will be the same for both long positions and synthetic short positions taken through the use of derivatives, as will be the valuation metrics, such as discounted cash flow analysis, price / earnings and enterprise value / sales ratios. Once an investment conclusion has been reached, technical analysis will be utilized to time entry and exit points.
The Investment Manager’s style is to blend a portfolio of core long term fundamental positions with an overlay of shorter term trading positions. The Fund will consist of a core portfolio (typically 60% to 90% of the Net Asset Value of the Fund) of fundamental positions that reflect the Investment Manager’s long term outlook and consequently these positions may be held for several years. The balance of the Fund’s Net Asset Value will consist of a portfolio of shorter term trading positions which are more opportunistic in nature and which will seek to take advantage of short term pricing anomalies. These shorter term trading positions may be held for periods as short as several weeks.

INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus. The Fund will not invest more than 10% of its Net Asset Value in other open-ended collective investment schemes.

MANAGEMENT, ADMINISTRATION AND CUSTODY

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual managers at Polar Capital LLP with prime responsibility for the Fund is Philip Hardy.

Philip Hardy – Fund Manager

Philip began his career at Laing & Cruickshank Stockbrokers, with a focus on traded option strategies before moving to Schroders in 1988. His first year at Schroders was spent as a portfolio management assistant followed by two years in UK equity research. During this time he was given the UK equity portion of an institutional portfolio to manage. In January 1992 Philip was asked to become a founding member of the Specialist UK Equity Team and also took on the management of the Schroder UK Equity Fund as well as running proprietary money. During the last two years of his career at Schroders, Philip managed Pan-European money for predominantly North American clients. Philip founded the UK team at Polar Capital with the launch of the Polar Capital UK Fund Limited in November 2001, and the Polar Capital Paragon Fund Limited in 2004.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

Sub-Custodian
Morgan Stanley & Co. International plc, has been appointed by the Custodian as its sub-custodian with respect to the assets of the Fund, pursuant to a Sub-Custodian Agreement dated 28th May, 2008.

Ancillary Services

In addition, the Company has appointed Morgan Stanley & Co. International plc to provide ancillary services to the Company, solely in respect of the Fund, including settlement, foreign exchange transactions, execution and exchange traded derivative transaction services, pursuant to a Services Agreement dated 28th May, 2008.

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA

*Morgan Stanley & Co International plc is a service provider to the Fund and neither it nor any other Morgan Stanley company is responsible for the activities of the Fund, or compliance of the Fund with any regulations or restrictions applicable to it as a UCITS (under the Regulations or otherwise), or any information contained in this Supplement.*

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in Sterling. The Net Asset Value will be calculated by the Administrator as at the Valuation Point on a Dealing Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend in respect of each of the Fund's Share Classes.

Any dividend declared by the Fund will be paid only out of the Fund's net investment income return for an accounting period (i.e. the dividends, interest or other income earned by the Fund on its investments in that period less the Fund's expenses attributable to that period). Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting
period. Any dividend paid on a Share that is unclaimed by the relevant Shareholder will not earn
interest; and if that dividend is not claimed within six years of its declaration it shall be forfeited and
shall be escheated for the benefit of the Fund.

Dividends payable to Shareholders will be reinvested at the time such dividends are paid by
subscription for further Shares, unless Shareholders specifically request that dividends be paid in
cash. Failure by a Shareholder to provide required documentation in connection with anti-money
laundering procedures will result in a Shareholder's dividend being automatically reinvested.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in
value will automatically be reinvested in the subscription of further Shares of the class to which the
income distribution relates for the account of the Shareholder entitled to that income distribution,
unless a Shareholder elects to receive dividends in cash.

Distribution entitlements of Stg 100 or more will, unless instructions to the contrary are received from
the Shareholder at least twenty one days before the date on which the dividend is to be paid, be
reinvested in the subscription of further Shares of the class to which the income distribution relates for
the account of the Shareholder entitled to that income distribution.

Any such reinvestment of a Shareholder’s dividend entitlement will be made, on the relevant dividend
payment date, by the Directors acting as nominee and agent for and for the account of the
Shareholder concerned in their receipt of the Shareholder's income and in their payment of such
income to the Company in subscription for further Shares. If a Shareholder’s dividends are reinvested,
there is no preliminary charge payable on the reinvestment.

A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election
in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the
election.

UK "OFFSHORE FUNDS" REGIME

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that
are "offshore funds" for UK tax purposes, each Share Class will separately represent such an
"offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the
Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund"
under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax
authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean
that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the
sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual
circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing
any particular part of its income to Shareholders (as was the case under the provisions, commonly
known as the "distributor status" rules, in force prior to the commencement of the "reporting funds"
regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be
liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on
the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

HEDGED CLASSES

The Class I Hedged Euro Share Class and the Class R Hedged Euro Share Class is denominated in Euro, and the Class I Hedged US Dollar Class and the Class R Hedged US Dollar Share Class is denominated in US$, whereas the base currency of the Fund is Sterling.

The Fund will enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular Class into the currency of denomination of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets or liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains or losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. A Class will not be leveraged as a result of currency hedging transactions.

Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions materially in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line (subject to interest rate differentials) with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

MINIMUM SUBSCRIPTION-CLASS R SHARES

There is no minimum subscription requirement for Class R Shares.

MINIMUM SUBSCRIPTION-CLASS I SHARES

Class I Shares are subject to a minimum subscription of Stg£1 million (or its foreign currency equivalent). The aggregate of an investor's investments in Class R Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of
satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.

**MINIMUM SUBSCRIPTION – CLASS I HEDGED SHARES**

Class I Hedged Shares are subject to a minimum subscription of Stg£1 million (or its foreign currency equivalent). The aggregate of an investor’s investments in Class R Shares and Class I Shares (unhedged), or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription requirement for Class I Hedged Shares may be waived or reduced at the sole discretion of the Directors.

**MINIMUM SUBSCRIPTION – CLASS R HEDGED SHARES**

There is no minimum subscription requirement for Class R Hedged Shares.

**SUBSCRIPTIONS**

**Procedure**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 11.45 a.m. (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information
Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.
The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in Sterling or the equivalent thereof) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

**Subscription Monies**

**Method of Payment**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

**Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund. However, the Company may accept payment in such other currencies as the Administrator may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

**Minimum Subscriptions/Holdings**

There are no applicable Minimum Holding requirements.

**REDEMPTIONS**

**Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in
the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 11.45 a.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Redemption Price

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.
The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

**Timing of Payment**

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material disadvantage for the Fund or its Shareholders as a whole.

**Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to
reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

Switching

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by telephone order to the Administrator or written application to the Administrator on such switching form as may be prescribed by the Directors. Telephone orders may be placed with the Administrator on +353 1 4345007.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

A = number of Shares of the New Class to be allocated
B = number of Shares of the Original Class to be converted
C = redemption price per Share on the relevant Dealing Day for the Original Class
D = the currency conversion factor determined by the Administrator
E = subscription price per Share on the relevant Dealing Day for the New Class
FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the organisational and operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

Morgan Stanley & Co. International plc

The fees of Morgan Stanley & Co. International plc, payable under the Sub-Custody Agreement and the Services Agreement, will be paid out of the assets of the Fund and will be at normal commercial rates.

Investment Management Fees

The Investment Manager is entitled to receive a management fee and a performance fee together with any extraordinary out of pocket expenses. The Investment Manager shall be responsible for discharging from this fee the fees of any investment advisers.

Class R Shares

The management fee in respect of Class R Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Class R Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Class I Shares

The management fee in respect of Class I Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Class I Hedged Shares

The management fee in respect of Class I Hedged Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I Hedged Shares (before deduction of any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee-Class R Shares

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be
reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee as at the Payment Date for all Class R Shares shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value per Class R Sterling Share exceeds the hurdle rate which will be 3-month GBP LIBOR multiplied by the weighted average number of total Class R Shares in issue on each Dealing Day since the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per Class R Sterling Share Class shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the performance of the Class R Shares exceed the 3-month GBP LIBOR rate. If, during a performance fee period, the performance of the Class R Shares does not exceed the 3-month GBP LIBOR rate, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class R Sterling Share at the relevant Payment Date shall not be less than the Net Asset Value per Class R Sterling Share Class on the last day that a performance fee was paid. The performance fee is only payable on the increase over the 3-month GBP LIBOR rate.

**Performance Fee-Class I Shares**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee as at the Payment Date for all Class I Shares shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value per Class I Sterling Share exceeds the hurdle rate which will be 3-month GBP LIBOR multiplied by the weighted average number of total Class I Shares in issue on each Dealing Day since the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per Class I Sterling Share Class shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the performance of the Class I Shares exceed the 3-month GBP LIBOR rate. If, during a performance fee period, the performance of the Class I Shares does not exceed the 3-month GBP LIBOR rate, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.
All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class I Sterling Share at the relevant Payment Date shall not be less than the Net Asset Value per Class I Sterling Share Class on the last day that a performance fee was paid. The performance fee is only payable on the increase over the 3-month GBP LIBOR rate.

**Performance Fee-Class I US Dollar Hedged Shares**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee as at the Payment Date for all Class I Hedged US Dollar Shares shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value per Class I Hedged US Dollar Share exceeds the hurdle rate which will be 3-month USD LIBOR multiplied by the weighted average number of total Class I Hedged US Dollar Shares in issue on each Dealing Day since the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per Class I Hedged US Dollar Share Class shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the performance of the Class I Hedged US Dollar Shares exceed the 3-month USD LIBOR rate. If, during a performance fee period, the performance of the Class I Hedged US Dollar Shares does not exceed the 3-month USD LIBOR rate, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class I Hedged US Dollar Share at the relevant Payment Date shall not be less than the Net Asset Value per Class I Hedged US Dollar Share Class on the last day that a performance fee was paid. The performance fee is only payable on the increase over the 3-month USD LIBOR rate.

**Performance Fee-Class I Euro Hedged Shares**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee as at the Payment Date for all Class I Euro Hedged Shares shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value per Class I Hedged Euro Share exceeds the hurdle rate which will be 3-month EUR LIBOR multiplied by the weighted average number of total Class I Hedged Euro Shares in issue on each Dealing Day since the last performance fee was paid.
For the purposes of the performance fee calculation, the Net Asset Value per Class I Hedged Euro Share Class shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the performance of the Class I Hedged Euro Shares exceed the 3-month EUR LIBOR rate. If, during a performance fee period, the performance of the Class I Hedged Euro Shares does not exceed the 3-month EUR LIBOR rate, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class I Hedged Euro Share at the relevant Payment Date shall not be less than the Net Asset Value per Class I Hedged Euro Share Class on the last day that a performance fee was paid. The performance fee is only payable on the increase over the 3-month EUR LIBOR rate.

**Performance Fee-Class R Euro Hedged Shares**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee as at the Payment Date for all Class R Euro Hedged Shares shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value per Class I Hedged Euro Share exceeds the hurdle rate which will be 3-month EUR LIBOR multiplied by the weighted average number of total Class R Hedged Euro Shares in issue on each Dealing Day since the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per Class R Hedged Euro Share Class shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the performance of the Class R Hedged Euro Shares exceed the 3-month EUR LIBOR rate. If, during a performance fee period, the performance of the Class R Hedged Euro Shares does not exceed the 3-month EUR LIBOR rate, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class R Hedged Euro Share at the relevant Payment Date shall not be less than the Net Asset Value per Class R Hedged Euro Share Class on the last day that a performance fee was paid. The performance fee is only payable on the increase over the 3-month EUR LIBOR rate.
**Performance Fee-Class R US Dollar Hedged Shares**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee as at the Payment Date for all Class R Hedged US Dollar Shares shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value per Class I Hedged US Dollar Share exceeds the hurdle rate which will be 3-month USD LIBOR multiplied by the weighted average number of total Class R Hedged US Dollar Shares in issue on each Dealing Day since the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per Class R Hedged US Dollar Share Class shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the performance of the Class R Hedged US Dollar Shares exceed the 3-month USD LIBOR rate. If, during a performance fee period, the performance of the Class R Hedged US Dollar Shares does not exceed the 3-month USD LIBOR rate, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class R Hedged US Dollar Share at the relevant Payment Date shall not be less than the Net Asset Value per Class R Hedged US Dollar Share Class on the last day that a performance fee was paid. The performance fee is only payable on the increase over the 3-month USD LIBOR rate.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

**RISK FACTORS**

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based
on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

Currency hedging, if engaged in by the Investment Manager, may protect the Fund from adverse currency movements, but may also release or eliminate the benefit of favourable currency movements. There can also be no guarantee that a decision to hedge any currency exposure will be effective or that the Investment Manager will exercise its discretion to hedge any particular currency exposure. In addition, it may be difficult to effectively hedge exposures in certain currencies either at a reasonable cost or on a practical basis.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the value at risk approach (absolute VaR), the objective of which is to monitor and manage the various risks associated with financial derivative instruments. Further details on the VaR approach are set out above in the section headed “INVESTMENT POLICIES”. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

EMERGING MARKETS GROWTH FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
**DEFINITIONS**

“Business Day” a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Central Bank” Central Bank of Ireland

“Dealing Day” each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Index” MSCI Emerging Market Total Return Index, is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of the date of this Supplement the MSCI Emerging Markets Total Return Index comprised 754 securities, had a total market capitalisation of $7.63 trillion and consisted of the following 21 emerging market countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Details of the Index can be found on the [www.msci.com](http://www.msci.com).

“Official List and the Main Securities Market” the Official List and Main Securities Market of the Irish Stock Exchange

“Share Class” or “Share Classes” such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Emerging Markets Growth Fund being the Class R US Dollar Shares, the Class R Sterling Shares, the Class R Euro Shares, the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares.

“Valuation Point” the close of business in the relevant markets on the Dealing Day.
EMERGING MARKETS GROWTH FUND
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Investment Manager will strive to limit the volatility of the Fund’s returns.

An investment in the Fund should be viewed as medium to long term.

The base currency of the Fund is USD.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.
INVESTMENT OBJECTIVE

The Fund’s investment objective is to achieve long term capital growth.

INVESTMENT POLICIES

The Fund will achieve its investment objective by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part of their economic activities in markets/countries which are, in the Investment Manager’s opinion, emerging markets/developing countries.

The securities in which the Fund will invest will include transferable securities, such as shares, equities, equity warrants, preferred shares, shares in collective investment schemes with investment policies that are consistent with the Fund’s investment objective and securities convertible into shares, which may be listed on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities) and issued by companies.

The Fund may invest in Russian domestically traded securities. However it is not anticipated that such an investment will exceed 10% of the Net Asset Value of the Fund and investment in securities traded on Russian markets will only be made in equity securities which are listed and/or traded on the Russian Trading System (“RTS”) and Moscow Interbank Currency Exchange Stock Exchange (“MICEX”).

The Fund may invest no more than 10% of the Fund’s Net Asset Value in aggregate in shares of open-ended collective investment schemes, which include UCITS or non-UCITS exchange traded funds (“ETF’s”) which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to the equity securities comprised in the indices tracked by the ETFs in which the Fund may invest. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, emerging markets. Investment in non-UCITS ETF’s which are considered by the Investment Manager to be transferable securities will be in accordance with the requirements of the Central Bank.

The Fund may also invest in Global, American and European depository receipts for the purpose of gaining exposure to underlying equity securities.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options), contracts for difference, swaps and securities with embedded derivatives or elements of derivative exposure including, but not limited to, equity warrants and structured notes, such as P-Notes (which will not be leveraged), for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk or to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objective and policies above, and as further detailed below. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.
Futures, forwards, options, contracts for difference and swaps may be used to hedge against downward movements in the value of the Fund’s portfolio, either by reference to specific securities (i.e. equity or equity related securities) or markets to which the Fund may be exposed. These derivative instruments may also be used to gain or reduce the Fund’s exposure to equity or equity related securities or markets on a short or medium term basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund.

Transferable securities with embedded derivatives or elements of derivative exposure, such as equity warrants and structured notes such as P-Notes (which will not be leveraged) may be used to gain exposure to underlying equity or equity related securities as a more efficient and cheaper alternative to direct investment in that security.

Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

**Investment Approach**

The Investment Manager's investment approach combines bottom-up stock selection with top-down macro economic research and analysis and sector and market overlay.

**Top Down Analysis**

Asset allocation – Negative filters

The Investment Manager looks at global growth expectations, macroeconomic trends, government models, risk aversion, currency and the valuation environment to establish a dynamic understanding of the economic backdrop of the investment universe.

The asset allocation is mainly driven by the Investment Manager’s ‘negative screening’, where the Investment Manager looks for countries where there are either systematic or structural issues which put them potentially at risk, in that case, these would typically be zero- to underweight.

This process allows the Investment Manager to eliminate countries that are included in the Index, form a view on which countries the Investment Manager wants to be over and underweight the Index, as well as identify non-Index countries that fulfil the Investment Manager’s criteria. However, the actual Fund weighting in each country will be driven by the Investment Manager’s stock selection.

Through top-down analysis the Investment Manager is able to reduce country specific risk by avoiding those countries where the risks are disproportionate to the potential rewards. Further risk management is incorporated at this stage of the investment process by looking closely at liquidity and filtering out illiquid stocks.
As a general rule the Investment Manager will not invest more than 20% of the Net Asset Value of the Fund in companies with a market capitalisation of less than USD 1 billion at the time of initial investment.

**Sector and market overlay**

The central theme to the Investment Manager’s emerging markets strategy is investing in the economic development of emerging markets. Hence, the Investment Manager aims to identify the sectors that will demonstrate higher than average growth within these growing economies.

The Investment Manager does this by analysing:

- **the microeconomic development within each country**

Analysis of demand dynamics in key domestic sectors favouring those with the possibility of a protracted period of high growth - when GDP per capita reaches certain levels then demand for specific goods or services may grow exponentially.

- **the comparative advantage between countries**

This includes pricing and margin advantages as well as higher growth levels. Some examples might include outsourcing in India, where there is a large pool of engineering graduates at much lower cost than in the west, or agriculture in Brazil where costs are low and water and land are readily available.

**Bottom Up Analysis**

**Stock Selection**

The Investment Manager’s research efforts are directed towards fully understanding a company and its markets. The Investment Manager uses a full matrix of valuation methods to ensure that it does not overpay for growth.

The attractiveness of stocks is viewed on both a qualitative and quantitative basis. From a qualitative perspective the Investment Manager examines the operating environment, much of which comes from the sector analysis (see above) as well as the management, the assessment of which comes from company meetings. From a quantitative perspective the Investment Manager compares companies on a number of different financial variables both against other companies in the same country and against companies in similar sectors in other emerging markets, with the aim of selecting those that offer the best combination of growth outlook and valuation. As part of this process the Investment Manager engages in extensive discussions with the management of the investee companies.

**Portfolio Construction**

The Fund will be well diversified, with a low concentration in individual holdings and typically between 60 and 80 stocks across the portfolio of the Fund.
Active risk control is an integral part of the investment process and is incorporated into every stage of portfolio construction.

**Sell Disciplines**

While the Investment Manager’s investment philosophy dictates a long-term investment horizon, the reasons for holding a stock are constantly reviewed and the Investment Manager maintains a strict sell discipline in order to manage overall Fund risk. The Investment Manager looks to sell stocks primarily for one of the following reasons:

- Valuation has become extended
- Management disappointment – either in terms of poor results or a change in strategy
- Changes in fundamentals – either at corporate, sector or country level
- Better opportunities identified elsewhere on a relative basis

**BORROWING RESTRICTIONS**

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

**MANAGEMENT AND ADMINISTRATION**

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

**Investment Manager**

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the "Investment Manager") to the Company. The individual manager at Polar Capital LLP with prime responsibility for the Fund is William Calvert.

**William Calvert**

William joined Polar Capital in October 2010 to establish the Emerging Markets investment team. William has over 20 years experience in emerging markets and prior to joining Polar Capital he spent 13 years at AXA Framlington, where he was head of the Emerging Markets desk, working on both dedicated emerging markets portfolios and as part of the global investment team. He was portfolio manager for the AXA Framlington Emerging Markets Fund from 2004 until his departure.

He joined AXA Framlington from LCF Edmond de Rothschild Securities where he was part of the country fund broking team. Prior to this he was a fund manager with Citibank, Municipal Mutual Insurance and English Association (which later became PK Banken). William graduated from Bristol University with a degree in Economics.
Other portfolio managers include:

**Ming Kemp**

Ming joined Polar Capital in October 2010 as a fund manager. Prior to joining Polar Capital, Ming spent 5 years at AXA Framlington as an Asian specialist, managing Asian equity portfolios for Global Emerging Market Funds and Global Balanced Funds. Following a post graduate career in China, Ming moved to London in 1990. Upon her completion of Masters in Business Administration in the UK, Ming took up a position as an equity investment analyst at American Express Asset Management in 1995. She moved to Sarasin Investment Management in 1999 as a senior equity analyst for the Asia Pacific Market, before joining AXA Framlington in 2005.

**Neil Denman**

Neil joined Polar Capital in October 2010 as a fund manager. Prior to joining Polar Capital, Neil spent 2 years at AXA Framlington, where he was a portfolio manager within the Emerging Markets team. Previously he worked at Hexam Capital Partners from 2006 until 2008 as co-manager of the Global Resources Absolute Return Fund. Between 2004 and 2006 he was UK Investment Analyst at Baring Asset Management. Neil began his career as a graduate trainee at Framlington, between 2001 and 2004, having graduated from Leeds University with a degree in Environmental Biogeoscience.

**Administrator and Custodian**

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

**VALUATION OF ASSETS**

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

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DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend in respect of each of the Fund's Share Classes.

Any dividend declared by the Fund will be paid only out of the Fund's net investment income return for an accounting period (i.e. the dividends, interest or other income earned by the Fund on its investments in that period less the Fund’s expenses attributable to that period). Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period. Any dividend paid on a Share that is unclaimed by the relevant Shareholder will not earn interest; and if that dividend is not claimed within six years of its declaration it shall be forfeited and shall be escheated for the benefit of the Fund.

Dividends payable to Shareholders will be reinvested at the time such dividends are paid by subscription for further Shares, unless Shareholders specifically request that dividends be paid in cash. Failure by a Shareholder to provide required documentation in connection with anti-money laundering procedures will result in a Shareholder's dividend being automatically reinvested.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Distribution entitlements of US$100 or more will, unless instructions to the contrary are received from the Shareholder at least twenty one days before the date on which the dividend is to be paid, be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution.

Any such reinvestment of a Shareholder’s dividend entitlement will be made, on the relevant dividend payment date, by the Directors acting as nominee and agent for and for the account of the Shareholder concerned in their receipt of the Shareholder’s income and in their payment of such income to the Company in subscription for further Shares. If a Shareholder’s dividends are reinvested, there is no preliminary charge payable on the reinvestment.

A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the election.

UK "OFFSHORE FUNDS" REGIME

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund"
under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

MINIMUM SUBSCRIPTION AND MINIMUM HOLDING

Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Shares, the Class R Sterling Shares or the Class R Euro Shares.

Class I US Dollar Shares, Class I Sterling Shares, Class I Euro Shares

The Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent). The aggregate of an investor's investments in the US Dollar Shares, the Sterling Shares or the Euro Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.
SUBSCRIPTIONS

Procedure

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.
Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.
The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

**Subscription Monies**

**Method of Payment**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

**Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

**REDEMPTIONS**

**Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on + 353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in
connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Redemption Price

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting there from such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

Fractions

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

Method of Payment

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.
Currency of Payment

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions
(including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

$$A = \frac{B \times C \times D}{E}$$

Where

- **A** = number of Shares of the New Class to be allocated
- **B** = number of Shares of the Original Class to be converted
- **C** = redemption price per Share on the relevant Dealing Day for the Original Class
- **D** = the currency conversion factor determined by the Administrator
- **E** = subscription price per Share on the relevant Dealing Day for the New Class

**FEES AND EXPENSES**

**General**

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

**Subscription of Shares**

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

**Investment Management Fees**

**Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares**

The investment management fee payable in respect of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fee**

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.
The performance fee for the Class R US Dollar, Class R Sterling Shares and Class R Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R US Dollar Share exceeds the Indexed Net Asset Value per Class R US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per US Dollar Share is calculated by adjusting the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Class R US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Shares does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I US Dollar Shares, Class I Sterling Shares and Class I Euro Shares

The investment management fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I US Dollar Share exceeds the Indexed Net Asset Value per Class I US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Shares, Class I Sterling Shares and Class I Euro Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per US Dollar Share is calculated by adjusting the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the comparative
performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

**Establishment Expenses**

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. The establishment expenses amounted to approximately €20,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

**RISK FACTORS**

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of
which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.

**EMERGING MARKETS RISK**

**Economic & Political Factors**: Investments in securities of issuers located in emerging market countries involve special considerations and risks, including the risks associated with high rates of inflation, the limited liquidity and relatively small market capitalisation of the securities markets in emerging market countries, relatively higher price volatility and large amounts of external debt and political, economic and social uncertainties, including the possible imposition of exchange controls or other foreign governmental laws or restrictions which may affect investment opportunities. In addition, with respect to certain emerging market countries there is the possibility of political or social instability or diplomatic developments that could affect investments in those countries. Moreover, individual emerging market country economies may differ favourably or unfavourably from the economies of developed nations in such respects as growth of gross national product, rates of inflation, capital investments resources and self sufficiency and the balance of payments position.

The economies of some emerging market countries have experienced considerable difficulties in the past. Although in certain cases there have been significant improvements in recent years, many such economies continue to experience significant problems, including high inflation and interest rates. Inflation and rapid fluctuations in interest rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging market countries. The development of certain emerging market economies and securities markets will require continued economic and fiscal discipline, which has been lacking at times in the past, as well as stable political and social conditions. Recovery may also be influenced by international economic conditions, particularly those in the U.S. and by world prices for oil and other commodities. There is no assurance that economic initiatives will be successful. Certain of the risks associated with international investments and investing in smaller capital markets are heightened for investments in emerging market countries.

**Market Liquidity & Volatility**: The securities markets in emerging market countries are substantially smaller, less liquid and more volatile than the major securities markets in the United States and Europe. A limited number of issuers in most, if not all, securities markets in emerging market countries may represent a disproportionately large percentage of market capitalisation and trading volume. Such markets may in certain cases, be characterised by relatively few market makers, participants in the market being mostly institutional investors including insurance companies, banks, other financial institutions and investment companies. The listed equity securities of many companies in many emerging markets are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of many emerging markets and of quoted companies is also less developed than in many OECD countries. In addition, there may be a high measure of legal uncertainty concerning the rights and duties of market participants as compared to investments made through securities systems of established markets. The combination of price volatility and the less liquid nature of securities markets...
in emerging market countries may, in certain cases, affect a Fund’s ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

**Information Standards:** In addition to their smaller size, lesser liquidity and greater volatility, securities markets in emerging markets are less developed than the securities markets in the U.S. and Europe with respect to disclosure, reporting and regulatory standards are less publicly available information about the issuers of securities in these markets than is regularly published by issuers in the United States and Europe. Further, corporate laws regarding fiduciary responsibility and protection of stockholders may be considerably less developed than those in the United States and Europe. Issuers in emerging market countries may not be subject to the same accounting, auditing and financial reporting standards.

**Custody Risk:** In a limited number of markets, particularly in emerging economies, where a no failed trade policy is standard market practice, assets may be assigned, transferred, exchanged or delivered without the prior approval of the Custodian or its agent. Once a sale order is placed in relation to assets of the Fund, by virtue of the operation of the settlement system within those markets, those assets will automatically move from custody of the Custodian without the need for the prior approval of the Custodian. Where this occurs the consideration for those assets is remitted to the entity releasing the assets.

**Currency Risk:** the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

**Investment in Russia:** Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder’s name on the share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22\textsuperscript{nd} January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

EMERGING MARKETS INCOME FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22\textsuperscript{nd} JANUARY, 2013
DEFINITIONS

“Business Day” a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Central Bank” Central Bank of Ireland.

“Dealing Day” each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Index” MSCI Emerging Market Total Return Index, is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of the date of this Supplement the MSCI Emerging Markets Total Return Index comprised 754 securities, had a total market capitalisation of approximately $7 trillion and included issuers in the following 21 emerging market countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Details of the Index can be found on the www.mscibarra.com

“Official List and the Main Securities Market” the Official List and Main Securities Market of the Irish Stock Exchange

“Share Class” or “Share Classes” such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Emerging Markets Income Fund being the Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares, Class R GBP Accumulation Shares, Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares and Class I GBP Accumulation Shares.

“Valuation Point” the close of business in the relevant markets on the Dealing Day.
EMERGING MARKETS INCOME FUND
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

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

An investment in the Fund should be viewed as medium to long term.

Shareholders and prospective investors should note that all of the fees and expenses of the Fund will be charged to the capital of the Fund. This will have the effect of lowering the capital value of an investment in the Fund. Capital may be eroded and “income” will be achieved by foregoing the potential for future capital growth. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.

The base currency of the Fund is USD.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment
program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an income fund, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.

INVESTMENT OBJECTIVE

The Fund’s investment objective is to achieve both income and long term capital growth.

INVESTMENT POLICIES

The Fund will achieve its investment objective by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part of their economic activities in markets/countries which are, in the Investment Manager’s opinion, emerging markets/developing countries. The investment approach utilised by the Investment Manager is further detailed below under the section headed “Investment Approach”.

The securities in which the Fund will invest will include transferable securities, such as shares, equities, equity warrants, preferred shares, shares in collective investment schemes with investment policies that are consistent with the Fund’s investment objective and securities convertible into shares, which may be listed on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities) and issued by companies.

The Fund may invest in Russian domestically traded securities. However it is not anticipated that such an investment will exceed 10% of the Net Asset Value of the Fund and investment in securities traded on Russian markets will only be made in equity securities which are listed and/or traded on the Russian Trading System (“RTS”) and Moscow Interbank Currency Exchange Stock Exchange (“MICEX”).

The Fund may invest no more than 10% of the Fund’s Net Asset Value in aggregate in shares of open-ended collective investment schemes, which include UCITS or non-UCITS exchange traded funds (“ETFs”) which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to the equity securities comprised in the indices tracked by the ETFs in which the Fund may invest. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, emerging markets. Investment in non-UCITS ETFs which are considered by the Investment Manager to be transferable securities will be in accordance with the requirements of the Central Bank.

The Fund may also invest in Global, American and European depository receipts for the purpose of gaining exposure to emerging market underlying equity securities.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options), contracts for difference, swaps and securities with embedded
derivatives or elements of derivative exposure including, but not limited to, equity warrants and structured notes, such as P-Notes (which will not be leveraged), for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk or to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objective and policies above, and as further detailed below. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

Futures, forwards, options, contracts for difference and swaps may be used to hedge against downward movements in the value of the Fund’s portfolio, either by reference to specific securities (i.e. equity or equity related securities) or markets to which the Fund may be exposed. These derivative instruments may also be used to gain or reduce the Fund’s exposure to equity or equity related securities or markets on a short or medium term basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund.

Transferable securities with embedded derivatives or elements of derivative exposure, such as equity warrants and structured notes such as P-Notes (which will not be leveraged) may be used to gain exposure to underlying equity or equity related securities as a more efficient and cheaper alternative to direct investment in that security.

Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

As income is a core requisite for the Fund, it is envisaged that the portfolio will comprise three distinct portions. The first will be companies which enjoy both a high return of capital but little growth and are thus able to pay out a significant portion of their earnings as dividends. It is anticipated that this portion will typically not comprise more than 20% of the portfolio of the Fund. The second will be companies that do not pay dividends but which, in the Investment Manager's opinion, enjoy exceptional growth prospects and which fulfil their valuation requirements. It is envisaged that this portion will typically not comprise more than 10% of the portfolio of the Fund. The final portion will comprise the bulk of the portfolio and will comprise companies that have a history of paying dividends, where the dividends have grown over time and where the payout ratio and growth prospects suggest that there is scope for dividend growth in the future.

It is anticipated that the Fund will target an overall yield of no less than 3.5%, however, this cannot be guaranteed.
**Investment Approach**

The Investment Manager’s investment approach combines bottom-up stock selection with top-down macro economic research and analysis and sector and market overlay.

**Top Down Analysis**

Asset allocation – Negative filters

The Investment Manager looks at global growth expectations, macroeconomic trends, government models, risk aversion, currency and the valuation environment to establish a dynamic understanding of the economic backdrop of the investment universe.

The asset allocation is mainly driven by the Investment Manager’s ‘negative screening’, where the Investment Manager looks for countries where there are either systematic or structural issues which put them potentially at risk, in that case, these would typically be zero-to underweight.

This process allows the Investment Manager to eliminate countries that are included in the Index, form a view on which countries the Investment Manager wants to be over and underweight the Index, as well as identify non-Index countries that fulfil the Investment Manager’s criteria. However, the actual Fund weighting in each country will be driven by the Investment Manager’s stock selection.

Through top-down analysis the Investment Manager is able to reduce country specific risk by avoiding those countries where the risks are disproportionate to the potential rewards. Further risk management is incorporated at this stage of the investment process by looking closely at liquidity and filtering out illiquid stocks.

As a general rule the Investment Manager will not invest more than 20% of the Net Asset Value of the Fund in companies with a market capitalisation of less than USD 1billion at the time of initial investment.

**Sector and market overlay**

The central theme to the Investment Manager’s emerging markets strategy is **investing in the economic development of emerging markets**. Hence, the Investment Manager aims to identify the sectors that will demonstrate higher than average growth within these growing economies.

The Investment Manager does this by analysing:

- the microeconomic development within each country
Analysis of demand dynamics in key domestic sectors favouring those with the possibility of a protracted period of high growth - when GDP per capita reaches certain levels then demand for specific goods or services may grow exponentially.

- the comparative advantage between countries

This includes pricing and margin advantages as well as higher growth levels. Some examples might include outsourcing in India, where there is a large pool of engineering graduates at much lower cost than in the west, or agriculture in Brazil where costs are low and water and land are readily available.

**Bottom Up Analysis**

**Stock Selection**

The Investment Manager’s research efforts are directed towards fully understanding a company and its markets. The Investment Manager uses a full matrix of valuation methods to ensure that it does not overpay for growth.

The attractiveness of stocks is viewed on both a qualitative and quantitative basis. From a qualitative perspective the Investment Manager examines the operating environment, much of which comes from the sector analysis (see above) as well as the management, the assessment of which comes from company meetings. From a quantitative perspective the Investment Manager compares companies on a number of different financial variables both against other companies in the same country and against companies in similar sectors in other emerging markets, with the aim of selecting those that offer the best combination of growth outlook and valuation. As part of this process the Investment Manager engages in extensive discussions with the management of the investee companies.

**Portfolio Construction**

The Fund will be well diversified, with a low concentration in individual holdings and typically between 60 and 80 stocks across the portfolio of the Fund.

Active risk control is an integral part of the investment process and is incorporated into every stage of portfolio construction. The construction of the Fund’s portfolio is continuously monitored by the Investment Manager and risk control is implemented in accordance with the Investment Manager’s risk management process on file with the Central Bank.

**Sell Disciplines**

While the Investment Manager’s investment philosophy dictates a long-term investment horizon, the reasons for holding a stock are constantly reviewed and the Investment Manager maintains a strict sell discipline in order to manage overall Fund risk. The Investment Manager looks to sell stocks primarily for one of the following reasons:
• Valuation has become extended
• Management disappointment – either in terms of poor results or a change in strategy
• Changes in fundamentals – either at corporate, sector or country level
• Better opportunities identified elsewhere on a relative basis

BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual manager at Polar Capital LLP with prime responsibility for the Fund is William Calvert.

William Calvert

William joined Polar Capital in October 2010 to establish the Emerging Markets investment team. William has over 20 years experience in emerging markets and prior to joining Polar Capital he spent 13 years at AXA Framlington, where he was head of the Emerging Markets desk, working on both dedicated emerging markets portfolios and as part of the global investment team. He was portfolio manager for the AXA Framlington Emerging Markets Fund from 2004 until his departure.

He joined AXA Framlington from LCF Edmond de Rothschild Securities where he was part of the country fund broking team. Prior to this he was a fund manager with Citibank, Municipal Mutual Insurance and English Association (which later became PK Banken). William graduated from Bristol University with a degree in Economics.

Other portfolio managers include:

Ming Kemp

Ming joined Polar Capital in October 2010 as a fund manager. Prior to joining Polar Capital, Ming spent 5 years at AXA Framlington as an Asian specialist, managing Asian equity portfolios for Global Emerging Market Funds and Global Balanced Funds. Following a post graduate career in China, Ming moved to London in 1990. Upon her completion of Masters in Business Administration in the UK, Ming took up a position as an equity investment analyst at American Express Asset Management in 1995. She moved to Sarasin Investment...
Management in 1999 as a senior equity analyst for the Asia Pacific Market, before joining AXA Framlington in 2005.

**Neil Denman**

Neil joined Polar Capital in October 2010 as a fund manager. Prior to joining Polar Capital, Neil spent 2 years at AXA Framlington, where he was a portfolio manager within the Emerging Markets team. Previously he worked at Hexam Capital Partners from 2006 until 2008 as co-manager of the Global Resources Absolute Return Fund. Between 2004 and 2006 he was UK Investment Analyst at Baring Asset Management. Neil began his career as a graduate trainee at Framlington, between 2001 and 2004, having graduated from Leeds University with a degree in Environmental Biogeoscience.

**Administrator and Custodian**

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

**VALUATION OF ASSETS**

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

**DIVIDEND POLICY**

**Distribution Share Classes**

**Dividends and Distribution Dates**

If sufficient net income is available in respect of the Fund, the Directors’ current intention is to declare semi-annual distributions (including interest and dividends) of substantially the whole of the net income which will be distributed by the last Business Day of each semi-annual period as detailed below.
In order to enable the Fund to pay a larger distribution amount the expenses which are attributable to the Fund are charged to capital. The effect of this is that capital will be eroded to allow higher dividends to be paid, thereby reducing the potential for future capital growth.

**Income Equalisation**

The Fund operates equalisation in relation to all Distribution Share Classes. A Shareholder who has purchased Distribution Shares during a Distribution Period will receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Distribution Shares in the relevant Distribution Period. All Distribution Shares purchased during a Distribution Period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Distribution Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Distribution Share Class and is refunded to them as part of the first distribution after their purchase of Distribution Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Distribution Share Classes who redeem their Distribution Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders of Distribution Shares may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Distribution Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Distribution Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder’s risk and expense.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.
Any dividend paid on a Distribution Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

**Accumulation Share Classes**

It is not the current intention to pay dividends in respect of the Accumulation Share Classes.

**UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder (in either a Distribution Share Class or an Accumulation Share Class) who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes).

As explained above under "Dividend Policy", the Directors intend that the Fund should make an annual dividend payment to Shareholders in the Distribution Share Classes out of the investment income earned by the Fund each financial year. The Directors do not, however, intend to pay dividends in respect of the Accumulation Share Classes.
MINIMUM SUBSCRIPTION AND MINIMUM HOLDING

Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares and Class R GBP Accumulation Shares

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares or Class R GBP Accumulation Shares.

Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares and Class I GBP Accumulation Shares

The Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares and Class I GBP Accumulation Shares are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent). The aggregate of an investor's investments in the Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares, Class I GBP Accumulation Shares, Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares and Class R GBP Accumulation Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.

SUBSCRIPTIONS

Procedure

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received
a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;
(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares which will include an amount of accrued income (see the description of “Income Equalisation” on page 10 will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

**Subscription Monies**

**Method of Payment**
Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).
Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting there from such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.
Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).
The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- \( A \) = number of Shares of the New Class to be allocated
- \( B \) = number of Shares of the Original Class to be converted
- \( C \) = redemption price per Share on the relevant Dealing Day for the Original Class
- \( D \) = the currency conversion factor determined by the Administrator
- \( E \) = subscription price per Share on the relevant Dealing Day for the New Class

**FEES AND EXPENSES**

**General**

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus. All fees and expenses shall be charged to the capital of the Fund.

**Subscription of Shares**

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

**Investment Management Fees**

*Class R US Dollar Distribution Shares, Class R Euro Distribution Shares and Class R GBP Distribution Shares*

The investment management fee payable in respect of the Class R US Dollar Distribution Shares, Class R Euro Distribution Shares and Class R GBP Distribution Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Class R US Dollar Distribution Shares, Class R Euro Distribution Shares and Class R GBP Distribution Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

*Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be
payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R US Dollar Distribution Shares, Class R Euro Distribution Shares and Class R GBP Distribution Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R US Dollar Distribution Share exceeds the Indexed Net Asset Value per US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Distribution, Class R Euro Distribution and Class R GBP Distribution Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per US Dollar share is calculated by multiplying the Net Asset Value per US Dollar share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R US Dollar Distribution Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class R US Dollar Distribution Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Distribution Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class R US Dollar Accumulation Shares, Class R Euro Accumulation Shares and Class R GBP Accumulation Shares**

The investment management fee payable in respect of the Class R US Dollar Accumulation, Class R Euro Accumulation and Class R GBP Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Class R US Dollar Accumulation, Class R Euro Accumulation and Class R GBP
Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 will be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee payable in respect of the Class R US Dollar Accumulation, Class R Euro Accumulation and Class R GBP Accumulation Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R US Dollar Accumulation Share exceeds the Indexed Net Asset Value per US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Accumulation, Class R Euro Accumulation and Class R GBP Accumulation Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per US Dollar Share is calculated by multiplying the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R US Dollar Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class R US Dollar Accumulation Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Accumulation Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.
**Class I US Dollar Distribution Shares, Class I Euro Distribution Shares and Class I GBP Distribution Shares**

The investment management fee payable in respect of the Class I US Dollar Distribution, Class I Euro Distribution and Class I GBP Distribution Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I US Dollar Distribution, Class I Euro Distribution and Class I GBP Distribution Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fee**

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I US Dollar Distribution, Class I Euro Distribution and Class I GBP Distribution Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I US Dollar Distribution Share exceeds the Indexed Net Asset Value per US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Distribution, Class I Euro Distribution and Class I GBP Distribution Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per US Dollar Share is calculated by multiplying the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I USD distribution share shall be calculated before the deduction of any unrealised performance fee. and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class I US Dollar Distribution Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar Distribution Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.
The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class I US Dollar Accumulation Shares, Class I Euro Accumulation Shares and Class I GBP Accumulation Shares**

The investment management fee payable in respect of the Class I US Dollar Accumulation, Class I Euro Accumulation and Class I GBP Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I US Dollar Accumulation, Class I Euro Accumulation and Class I GBP Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance fee**

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 will be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee payable in respect of the Class I US Dollar Accumulation, Class I Euro Accumulation and Class I GBP Accumulation Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I US Dollar Accumulation Share exceeds the Indexed Net Asset Value per US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Accumulation, Class I Euro Accumulation and Class I GBP Accumulation Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per US Dollar Share is calculated by multiplying the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.
For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I US Dollar Accumulation Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar Accumulation Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Establishment Expenses

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. The establishment expenses amounted to approximately €25,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the
objective of which is to monitor and manage the various risks associated with financial
derivative instruments. The Company will provide information to Shareholders on request on
the risk management process employed by the Investment Manager on the Company's
behalf, including details of the quantitative limits applied and information on the risk and yield
characteristics of the main categories of investment held on behalf of the Fund.

EMERGING MARKETS RISK

Economic & Political Factors: Investments in securities of issuers located in emerging
market countries involve special considerations and risks, including the risks associated with
high rates of inflation, the limited liquidity and relatively small market capitalisation of the
securities markets in emerging market countries, relatively higher price volatility and large
amounts of external debt and political, economic and social uncertainties, including the
possible imposition of exchange controls or other foreign governmental laws or restrictions
which may affect investment opportunities. In addition, with respect to certain emerging
market countries there is the possibility of political or social instability or diplomatic
developments that could affect investments in those countries. Moreover, individual emerging
market country economies may differ favourably or unfavourably from the economies of
developed nations in such respects as growth of gross national product, rates of inflation,
capital investments resources and self sufficiency and the balance of payments position.

The economies of some emerging market countries have experienced considerable
difficulties in the past. Although in certain cases there have been significant improvements in
recent years, many such economies continue to experience significant problems, including
high inflation and interest rates. Inflation and rapid fluctuations in interest rates have had and
may continue to have very negative effects on the economies and securities markets of
certain emerging market countries. The development of certain emerging market economies
and securities markets will require continued economic and fiscal discipline, which has been
lacking at times in the past, as well as stable political and social conditions. Recovery may
also be influenced by international economic conditions, particularly those in the U.S. and by
world prices for oil and other commodities. There is no assurance that economic initiatives will
be successful. Certain of the risks associated with international investments and investing in
smaller capital markets are heightened for investments in emerging market countries.

Market Liquidity & Volatility: The securities markets in emerging market countries are
substantially smaller, less liquid and more volatile than the major securities markets in the
United States and Europe. A limited number of issuers in most, if not all, securities markets in
emerging market countries may represent a disproportionately large percentage of market
capitalisation and trading volume. Such markets may in certain cases, be characterised by
relatively few market makers, participants in the market being mostly institutional investors
including insurance companies, banks, other financial institutions and investment companies.
The listed equity securities of many companies in many emerging markets are accordingly
materially less liquid, subject to greater dealing spreads and experience materially greater
volatility than those of OECD countries. Government supervision and regulation of many
emerging markets and of quoted companies is also less developed than in many OECD
countries. In addition, there may be a high measure of legal uncertainty concerning the rights
and duties of market participants as compared to investments made through securities systems of established markets. The combination of price volatility and the less liquid nature of securities markets in emerging market countries may, in certain cases, affect a Fund’s ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

**Information Standards:** In addition to their smaller size, lesser liquidity and greater volatility, securities markets in emerging markets are less developed than the securities markets in the U.S. and Europe with respect to disclosure, reporting and regulatory standards are less publicly available information about the issuers of securities in these markets than is regularly published by issuers in the United States and Europe. Further, corporate laws regarding fiduciary responsibility and protection of stockholders may be considerably less developed than those in the United States and Europe. Issuers in emerging market countries may not be subject to the same accounting, auditing and financial reporting standards.

**Custody Risk:** In a limited number of markets, particularly in emerging economies, where a no failed trade policy is standard market practice, assets may be assigned, transferred, exchanged or delivered without the prior approval of the Custodian or its agent. Once a sale order is placed in relation to assets of the Fund, by virtue of the operation of the settlement system within those markets, those assets will automatically move from custody of the Custodian without the need for the prior approval of the Custodian. Where this occurs the consideration for those assets is remitted to the entity releasing the assets.

**Currency Risk:** the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

**Investment in Russia:** Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder’s name on the share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

GLOBAL INSURANCE FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and New York and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Hiscox Insurance Portfolio Fund” a sub-fund of The Hiscox Funds OEIC, an umbrella type investment company with variable capital incorporated with limited liability in England and Wales with registered number ICVCF.

“Index”, the MSCI World Insurance Index, is a free float-adjusted market capitalization index that is designed to measure equity market performance of a global basket of Insurance companies. As of the date of this Supplement the MSCI World Insurance Index comprised around 81 securities, had a total market capitalisation of over $900 billion and included issuers in the following 8 countries: Finland, France, United Kingdom, Hong Kong, Italy, Japan, Netherlands and United States of America. Details of the Index can be found on the www.mscibarra.com


“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Global Insurance Fund being the Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares, Class F GBP Accumulation Shares, Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares, Class R GBP Accumulation Shares, Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares, and Class I GBP Accumulation Shares.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
GLOBAL INSURANCE FUND
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. All Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is Sterling.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement) can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long term.

Shareholders and prospective investors should note that all of the fees and expenses of the Fund will be charged to the capital of the Fund. This will have the effect of lowering the capital value of an investment in the Fund. Capital may be eroded and “income” will be achieved by foregoing the potential for future capital growth. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.
INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide an attractive total return irrespective of broader economic and financial market conditions.

INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing primarily in securities of insurance related companies worldwide. These companies include insurance and reinsurance companies, life assurance companies, insurance brokerage companies and other insurance related businesses including, but not limited to, insurance claims administration companies, insurance support service companies and companies that own insurance related assets.

The securities in which the Fund will invest include transferable securities including, but not limited to, equity securities such as shares, equity warrants and securities such as preferred shares, which may be listed and/or traded on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund being invested in unlisted securities) and Global, American and European depository receipts.

The Fund will seek to outperform the MSCI World Insurance Index.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options), contracts for difference, swaps and securities with embedded derivatives or elements of derivative exposure including, but not limited to, equity warrants and structured notes, such as P-Notes (which will not be leveraged), for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk or to obtain a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objective and policies above, and as further detailed below. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

Futures, forwards, options, contracts for difference and swaps may be used to hedge against downward movements in the value of the Fund’s portfolio, either by reference to specific securities (i.e. equity or equity related securities) or the insurance sectors to which the Fund may be exposed. These derivative instruments may also be used to gain or reduce the Fund’s exposure to equity or equity related securities or the insurance sectors on a short or medium term basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund.

Transferable securities with embedded derivatives or elements of derivative exposure, such as equity warrants and structured notes such as P-Notes (which will not be leveraged), may be used to gain exposure to underlying equity or equity related securities as a more efficient and cheaper alternative to direct investment in that security.
Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

The Fund may engage in stocklending and enter into repurchase and reverse repurchase agreements for the purpose of efficient portfolio management only, subject to the conditions and limits set out in the Central Bank’s UCITS Notices.

The Investment policy of the Fund may result in the Net Asset Value of the Fund having a high volatility.

**Investment Approach**

The Investment Manager will use a fundamental research-driven approach (based on proprietary analysis) to derive a concentrated portfolio of investments, typically investing in 30-35 insurance related companies. There will not be a decisive emphasis on any particular size of companies dominating the stock selection. Instead the Investment Manager will invest in large, medium and small capitalisation issues depending on market liquidity and as it judges the available opportunities. There are no specified limits on investing in any geographical region or in any sub-sector of insurance.

The key performance metric for evaluating insurance companies is growth in tangible equity per share. Earnings in any one year can be volatile, due to catastrophe activity or prior year reserve movements for example, and therefore proven long term growth in this metric is a key denominator. The principal valuation metric in assessing the attractiveness of insurance companies is price to book.

When assessing individual companies particular emphasis is placed on underwriting, reserving, balance sheet integrity, management and inside ownership (i.e. where senior management have a significant or meaningful stake in the business).

Once these qualitative criteria have been met, the Investment Manager then looks at valuation and how adding a company to the portfolio improves its underwriting mix before deciding to add a new holding.

The Investment Manager has a buy and hold strategy. Selling is usually triggered by:

1. Valuation i.e. the company is trading at a price to book that is excessive for its likely rate of return over the short to medium term

2. Portfolio reweighting to reflect rating changes in (re)insurance markets e.g. a prolonged period of time without catastrophe activity would weaken reinsurance rates so the Investment Manager might reduce its exposure to these companies

3. New information that causes the Investment Manager to reassess the investment case e.g. change of management and the experience/track record of new hires; new information on the integrity of reserves; underwriters expanding into new areas without the right expertise
INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus. Notwithstanding Point 3.1 of Appendix II, the Fund may not invest more than 10% of its Net Asset Value in other collective investment schemes.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual managers at Polar Capital LLP with prime responsibility for the Fund are Alec Foster and Nick Martin.

Alec Foster

Alec Foster joined Polar Capital in September 2010 and is manager of the Global Insurance Fund together with Nick Martin. Alec has 43 years experience in the insurance business, initially as an insurance broker in the London market. He joined Hiscox plc in 1976 and became group investment officer as well as managing director of Hiscox Investment Management Ltd prior to the management buyout in 2007 when the business was renamed HIM Capital Ltd. Alec launched the Hiscox Insurance Portfolio Fund in 1998. He was also non executive chairman of Universal Salvage plc and a non executive director of Midas Capital Partners. He is currently non executive chairman at Navigators Underwriting Agencies Ltd.

Nick Martin

Nick Martin joined Polar Capital in September 2010 and is co-manager of the Hiscox Insurance Portfolio Fund, working closely with Alec Foster. He has 12 years experience in the financial services industry. He joined Hiscox plc in September 2001 working with Alec Foster at Hiscox Investment Management Ltd prior to participating in its management buyout in 2007 when the business was renamed HIM Capital Ltd. He has developed a broad knowledge of the insurance sector during this time and from working for the chartered accountants, Mazars Neville Russell, where he specialised in audit and consultancy work for insurance companies and brokers. He is a qualified chartered accountant and obtained a first class honours degree in Econometrics and Mathematical Economics at the London School of Economics.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.
The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

Distribution Share Classes

Dividends and Distribution Dates

If sufficient net income is available in respect of the Fund, the Directors’ current intention is to declare quarterly distributions (including interest and dividends) of substantially the whole of the net income which will be distributed by the last Business Day of each quarter as detailed below of.

<table>
<thead>
<tr>
<th>Record Date</th>
<th>Ex Dividend Date</th>
<th>For Distribution By</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-Mar</td>
<td>First Business Day in April</td>
<td>Last Business Day in April</td>
</tr>
<tr>
<td>30-Jun</td>
<td>First Business Day in July</td>
<td>Last Business Day in July</td>
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<tr>
<td>30-Sep</td>
<td>First Business Day in October</td>
<td>Last Business Day in October</td>
</tr>
<tr>
<td>31-Dec</td>
<td>First Business Day in January</td>
<td>Last Business Day in January</td>
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</table>

In order to enable the Fund to pay a larger distribution amount the expenses which are attributable to the Fund are charged to capital. The effect of this is that capital will be eroded to allow higher dividends to be paid, thereby reducing the potential for future capital growth.

Income Equalisation

The Fund operates equalisation in relation to all Distribution Share Classes. A Shareholder who has purchased Distribution Shares during a Distribution Period will receive a distribution made up of two amounts:

• income which has accrued from the date of purchase, and
• capital which represents the return of the equalisation element.
The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Distribution Shares in the relevant Distribution Period. All Distribution Shares purchased during a Distribution Period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Distribution Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Distribution Share Class and is refunded to them as part of the first distribution after their purchase of Distribution Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Distribution Share Classes who redeem their Distribution Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders of Distribution Shares may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Distribution Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Distribution Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder's risk and expense.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Any dividend paid on a Distribution Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

**Accumulation Share Classes**

It is not the current intention to pay dividends in respect of the Accumulation Share Classes.

**UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.
The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder (in either a Distribution Share Class or an Accumulation Share Class) who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes).

As explained above under "Dividend Policy", the Directors intend that the Fund should make an annual dividend payment to Shareholders in the Distribution Share Classes out of the investment income earned by the Fund each financial year. The Directors do not, however, intend to pay dividends in respect of the Accumulation Share Classes.

**MINIMUM SUBSCRIPTION AND MINIMUM HOLDING**

*Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares, Class R GBP Accumulation Shares, Class R Hedged GBP Distribution Shares and Class R Hedged GBP Accumulation Shares.*

There is no minimum subscription or minimum holding requirement for the Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares, Class R GBP Accumulation Shares, Class R Hedged GBP Distribution Shares or Class R Hedged GBP Accumulation Shares.

*Class E GBP Distribution Shares, Class F GBP Accumulation Shares, Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares, Class I GBP Accumulation Shares, Class I Hedged GBP Distribution Shares and Class I Hedged GBP Accumulation Shares.*

The Class E GBP Distribution Shares, Class F GBP Accumulation Shares, Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares, Class I GBP Accumulation Shares, Class I Hedged GBP Distribution Shares and Class I Hedged GBP Accumulation Shares are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent).
The aggregate of an investor’s investments in the Class E GBP Distribution Shares, Class F GBP Accumulation Shares, Class I US Dollar Distribution Shares, Class I US Dollar Accumulation Shares, Class I Euro Distribution Shares, Class I Euro Accumulation Shares, Class I GBP Distribution Shares, Class I GBP Accumulation Shares, Class I Hedged GBP Distribution Shares and Class I Hedged GBP Accumulation Shares, Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class R US Dollar Distribution Shares, Class R US Dollar Accumulation Shares, Class R Euro Distribution Shares, Class R Euro Accumulation Shares, Class R GBP Distribution Shares, Class R GBP Accumulation Shares, Class R Hedged GBP Distribution Shares and Class R Hedged GBP Accumulation Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class E GBP Distribution Shares, Class F GBP Accumulation Shares and all Class I Shares may be waived or reduced at the sole discretion of the Directors.

ELIGIBILITY TO HOLD CLASS A GBP DISTRIBUTION SHARES, CLASS B GBP ACCUMULATION SHARES, CLASS E GBP DISTRIBUTION SHARES AND CLASS F GBP ACCUMULATION SHARES

Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares and Class F GBP Accumulation Shares will only (subject to the discretion of the Directors to determine otherwise) be offered to those Shareholders who were issued Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares and Class F GBP Accumulation Shares as part of a scheme of amalgamation between the Fund and the Hiscox Insurance Portfolio Fund which took place on 27 May, 2011 (the “Scheme”). Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares and Class F GBP Accumulation Shares will also be subject to a restriction on the transfer of those Shares only (subject to the discretion of the Directors to determine otherwise) to those Shareholders who were issued Shares as part of the Scheme. In addition, Shareholders of a Class within the Fund may not switch into the Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares and Class F GBP Accumulation Shares unless (subject to the discretion of the Directors to determine otherwise) such Shareholder is eligible to hold Shares in the Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares and Class F GBP Accumulation Shares.

SUBSCRIPTIONS

Procedure

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.
Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;
(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares which will include an amount of accrued income (see the description of “Income Equalisation” on page 8 will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares purchased during a Distribution Period (see the section headed “Dividend Policy”) will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.
Subscription Monies

Method of Payment

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation.
required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.
Currency of Payment

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below, subject to the restriction that Shareholders of a Class within the Fund may not (subject to the discretion of the Directors to determine otherwise) switch into the Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares and Class F GBP Accumulation Shares unless such Shareholder is eligible to hold Shares in the Class A GBP Distribution Shares, Class B GBP Accumulation Shares, Class E GBP Distribution Shares and Class F GBP Accumulation Shares (as detailed under the section headed “Initial Issue of Shares, Initial Offer Period and Initial Offer Price”) Switching may be effected written application to the Administrator on such switching form as may be prescribed by the Directors.
No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- \( A \) = number of Shares of the New Class to be allocated
- \( B \) = number of Shares of the Original Class to be converted
- \( C \) = redemption price per Share on the relevant Dealing Day for the Original Class
- \( D \) = the currency conversion factor determined by the Administrator
- \( E \) = subscription price per Share on the relevant Dealing Day for the New Class

### FEES AND EXPENSES

#### General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus. All fees and expenses of the Fund shall be charged to the capital of the Fund.

#### Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

#### Investment Management Fees

**Class A GBP Distribution Shares and Class B GBP Accumulation Shares**

The investment management fee payable in respect of the Class A GBP Distribution Shares and Class B GBP Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.25% per annum of the Net Asset Value of the Class A GBP Distribution Shares and Class B GBP Accumulation Shares as at the Valuation Day plus VAT (if any).
**Performance Fee**

There is no performance fee payable in respect of the Class A GBP Distribution Shares and Class B GBP Accumulation Shares.

**Class R US Dollar Distribution Shares, Class R Euro Distribution Shares and Class R GBP Distribution Shares.**

The investment management fee payable in respect of the Class R US Dollar Distribution Shares, Class R Euro Distribution Shares and Class R GBP Distribution Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.25% per annum of the Net Asset Value of the Class R US Dollar Distribution Shares, Class R Euro Distribution Shares and Class R GBP Distribution Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fee**

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The Net Asset Value per Share at the time Shares in the relevant Class are first issued shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day on which Shares of the relevant Class are first issued and ending on the Payment Date.

The performance fee for the Class R US Dollar Distribution Shares, Class R Euro Distribution Shares, Class R GBP Distribution Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R GBP Distribution Share exceeds the Indexed Net Asset Value per GBP Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Distribution, Class R Euro Distribution, Class R GBP Distribution Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per GBP Share is calculated by multiplying the Net Asset Value per GBP Share as at the date on which the last performance fee was paid by proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R GBP Distribution Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class R GBP Distribution Shares outperform the Index. If, during a performance fee period, the performance of the Class R GBP Distribution Shares...
do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class R US Dollar Accumulation Shares, Class R Euro Accumulation Shares and Class R GBP Accumulation Shares.**

The investment management fee payable in respect of the Class R US Dollar Accumulation, Class R Euro Accumulation and Class R GBP Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.25% per annum of the Net Asset Value of the Class R US Dollar Accumulation, Class R Euro Accumulation and Class R GBP Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The Net Asset Value per Share at the time of the first issue of Shares of the relevant class will be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day on which Shares of the relevant Class are first issued and ending on the Payment Date.

The performance fee payable in respect of the Class R US Dollar Accumulation, Class R Euro Accumulation, Class R GBP Accumulation Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R GBP Accumulation Share exceeds the Indexed Net Asset Value per GBP Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Accumulation, Class R Euro Accumulation, Class R GBP Accumulation Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per GBP Share is calculated by multiplying the Net Asset Value per GBP Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R GBP Accumulation Share shall be calculated before the deduction of any unrealised performance fee.
The performance fee is only payable when the Class R GBP Accumulation Shares outperform the Index. If, during a performance fee period, the performance of the Class R GBP Accumulation Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

**Class E GBP Distribution Shares and Class F GBP Accumulation Shares**

The investment management fee payable in respect of the Class E GBP Distribution Shares and Class F GBP Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Class E GBP Distribution Shares and Class F GBP Accumulation Shares as at the Valuation Day plus VAT (if any).

**Performance Fee**

There is no performance fee payable in respect of the Class E GBP Distribution Shares and Class F GBP Accumulation Shares.

**Class I US Dollar Distribution Shares, Class I Euro Distribution Shares and Class I GBP Distribution Shares.**

The investment management fee payable in respect of the Class I US Dollar Distribution, Class I Euro Distribution and Class I GBP Distribution Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Class I US Dollar Distribution, Class I Euro Distribution and Class I GBP Distribution Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fee**

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The Net Asset Value per Share on the day Shares of the relevant Class are first issued shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day on which Shares of the relevant Class are first issued and ending on the Payment Date.

The performance fee for the Class I US Dollar Distribution, Class I Euro Distribution, Class I GBP Distribution Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset
Value per Class I GBP Distribution Share exceeds the Indexed Net Asset Value per GBP Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Distribution, Class I Euro Distribution, Class I GBP Distribution Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per GBP Share is calculated by multiplying the Net Asset Value per GBP Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I GBP Distribution Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class I GBP Distribution Shares outperform the Index. If, during a performance fee period, the performance of the Class I GBP Distribution Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I US Dollar Accumulation Shares, Class I Euro Accumulation Shares and Class I GBP Accumulation Shares.

The investment management fee payable in respect of the Class I US Dollar Accumulation, Class I Euro Accumulation and Class I GBP Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Class I US Dollar Accumulation, Class I Euro Accumulation and Class I GBP Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The Net Asset Value per Share on the day Shares of the relevant Class are first issued will be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day on which Shares of the relevant Class are first issued and ending on the Payment Date.
The performance fee payable in respect of the Class I US Dollar Accumulation, Class I Euro Accumulation, Class I GBP Accumulation Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I GBP Accumulation Share exceeds the Indexed Net Asset Value per GBP Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Accumulation, Class I Euro Accumulation, Class I GBP Accumulation Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per GBP Share is calculated by multiplying the Net Asset Value per GBP Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I GBP Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I GBP Accumulation Shares outperform the Index. If, during a performance fee period, the performance of the Class I GBP Accumulation Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Company and each of its Funds the objective of which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

FINANCIAL OPPORTUNITIES FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
### DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Business Day”</td>
<td>a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).</td>
</tr>
<tr>
<td>“Central Bank”</td>
<td>Central Bank of Ireland.</td>
</tr>
<tr>
<td>“Dealing Day”</td>
<td>each Business Day (provided always there shall be at least one Dealing Day per fortnight).</td>
</tr>
<tr>
<td>“Index”</td>
<td>MSCI World Financial Index.</td>
</tr>
<tr>
<td>“Official List” and the “Main Securities Market”</td>
<td>the Official List and Main Securities Market of the Irish Stock Exchange</td>
</tr>
<tr>
<td>“Share Class” or “Share Classes”</td>
<td>such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Financial Opportunities Fund being the Class R US Dollar Shares, the Class R Sterling Shares, the Class R Euro Shares, the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares.</td>
</tr>
<tr>
<td>“Valuation Point”</td>
<td>the close of business in the relevant markets on the Dealing Day.</td>
</tr>
</tbody>
</table>
FINANCIAL OPPORTUNITIES FUND
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, Global Insurance Fund, the North American Fund, the Asian Financials Fund, the Financial Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

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

The base currency of the Fund is USD.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.
INVESTMENT OBJECTIVE

The Fund’s investment objective is to achieve long term capital growth.

INVESTMENT POLICIES

In order to achieve its objective the Fund will invest in the securities of financial sector companies and companies related to the financial sector worldwide. These companies primarily include commercial and investment banks, life and non-life insurance and reinsurance companies, asset management and brokerage companies. Other companies related to the financial sector include property and real estate companies, companies which provide support services to the financial sector (such as providing transaction services, IT services and claims administration services) and companies that own financial sector related assets, for example, conglomerates whose principal activities are financial sector related (this may include banking and property-related businesses) and it is the financial sector related aspect of the business that drives the outlook for the relevant conglomerate.

The securities in which the Fund will invest will include transferable securities, such as shares, equities, equity warrants, preferred shares, shares in collective investment schemes with investment policies that are consistent with the Fund’s investment objective and securities convertible into shares, which may be listed on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities) and issued by companies.

The Fund may invest in Russian domestically traded securities. However it is not anticipated that such an investment will exceed 10% of the Net Asset Value of the Fund and investment in securities traded on Russian markets will only be made in equity securities which are listed and/or traded on the Russian Trading System (“RTS”) and Moscow Interbank Currency Exchange Stock Exchange (“MICEX”).

The Fund may invest no more than 10% of the Fund’s Net Asset Value in aggregate in shares of open-ended collective investment schemes, which include UCITS or non-UCITS exchange traded funds (“ETF’s”) which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to the equity securities comprised in the indices tracked by the ETFs in which the Fund may invest. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, global markets, including emerging markets. Investment in non-UCITS ETF’s which are considered by the Investment Manager to be transferable securities will be in accordance with the requirements of the Central Bank.

The Fund may also invest in Global, American and European depository receipts for the purpose of gaining exposure to underlying equity securities.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options), contracts for difference, swaps and securities with embedded derivatives or elements of derivative exposure including, but not limited to, equity warrants and structured notes, such as P-Notes (which will not be leveraged), for efficient portfolio management purposes, hedging purposes,
to reduce portfolio risk or to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objective and policies above, and as further detailed below. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

Futures, forwards, options, contracts for difference and swaps may be used to hedge against downward movements in the value of the Fund’s portfolio, either by reference to specific securities (i.e. equity or equity related securities) or markets to which the Fund may be exposed. These derivative instruments may also be used to gain or reduce the Fund’s exposure to equity or equity related securities or markets on a short or medium term basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund.

Transferable securities with embedded derivatives or elements of derivative exposure, such as equity warrants and structured notes such as P-Notes (which will not be leveraged) may be used to gain exposure to underlying equity or equity related securities as a more efficient and cheaper alternative to direct investment in that security.

Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

Whilst it is intended that the Fund be fully invested as detailed above, the Investment Manager is permitted to invest in cash and/or money market instruments for ancillary liquid asset purposes and non-government and government debt securities where this is considered to be in the best interests of the Shareholders of the Fund; for example, during periods of market uncertainty where such investment is deemed to be important for defensive purposes.

Investment Strategy

The Investment Manager’s overall approach is to ensure a balance between financial sector stocks which offer growth and value depending on the economic environment. The Investment Manager will focus globally on financial sector securities (as detailed above) rather than on any one specific region.
BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual manager at Polar Capital LLP with prime responsibility for the Fund is John Yakas and the investment analyst is George Barrow.

John Yakas

John Yakas joined Polar Capital in September 2010 and is the manager of the Polar Capital Asian Financials Fund and Polar Capital European Financials Funds. John has over 20 years experience in the financial services industry and has been involved with the Asian Financials Fund since its launch in 1996 and has also been responsible for the European Financials Fund for the past three years. Previously, he worked for HSBC in Hong Kong and was the head of Asian research at Fox-Pitt, Kelton in 1995 and established their office in Hong Kong in 2000. John joined Hiscox Investment Management in 2003 (subsequently HIM Capital).

George Barrow

George Barrow joined Polar Capital in September 2010 and is an investment analyst working closely with John Yakas on the Polar Capital European Financials Fund and the Polar Capital Asian Financials Fund. He was previously at HIM Capital from 2008 where he completed his IMC. George holds a Masters degree in International Studies from SOAS where he graduated with merit.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.
VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend in respect of each of the Fund's Share Classes.

Any dividend declared by the Fund will be paid only out of the Fund's net investment income return for an accounting period (i.e. the dividends, interest or other income earned by the Fund on its investments in that period less the Fund's expenses attributable to that period). Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period. Any dividend paid on a Share that is unclaimed by the relevant Shareholder will not earn interest; and if that dividend is not claimed within six years of its declaration it shall be forfeited and shall be escheated for the benefit of the Fund.

Dividends payable to Shareholders will be reinvested at the time such dividends are paid by subscription for further Shares, unless Shareholders specifically request that dividends be paid in cash. Failure by a Shareholder to provide required documentation in connection with anti-money laundering procedures will result in a Shareholder's dividend being automatically reinvested.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Distribution entitlements of US$100 or more will, unless instructions to the contrary are received from the Shareholder at least twenty one days before the date on which the dividend is to be paid, be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution.
Any such reinvestment of a Shareholder's dividend entitlement will be made, on the relevant dividend payment date, by the Directors acting as nominee and agent for and for the account of the Shareholder concerned in their receipt of the Shareholder's income and in their payment of such income to the Company in subscription for further Shares. If a Shareholder's dividends are reinvested, there is no preliminary charge payable on the reinvestment.

A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the election.

**UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.
MINIMUM SUBSCRIPTION AND MINIMUM HOLDING

**Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares**

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Shares, the Class R Sterling Shares or the Class R Euro Shares.

**Class I US Dollar Shares, Class I Sterling Shares, Class I Euro Shares**

The Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent). The aggregate of an investor’s investments in the US Dollar Shares, the Sterling Shares or the Euro Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.

**SUBSCRIPTIONS**

**Procedure**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to
submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.
The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

Subscription Monies

Method of Payment

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.
REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Redemption Price

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting there from such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

**Timing of Payment**

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.
Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- \( A \) = number of Shares of the New Class to be allocated
- \( B \) = number of Shares of the Original Class to be converted
- \( C \) = redemption price per Share on the relevant Dealing Day for the Original Class
- \( D \) = the currency conversion factor determined by the Administrator
- \( E \) = subscription price per Share on the relevant Dealing Day for the New Class
FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

Investment Management Fees

Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares

The investment management fee payable in respect of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Class R US Dollar Shares, the Class R Sterling Shares and the Class R Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for the Class R US Dollar, Class R Sterling Shares and Class R Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R US Dollar Share exceeds the Indexed Net Asset Value per Class R US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Shares, Class R Sterling Shares and Class R Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per US Dollar Share is calculated by adjusting the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Class R US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Shares does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.
The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I US Dollar Shares, Class I Sterling Shares and Class I Euro Shares

The investment management fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee payable in respect of the Class I US Dollar Shares, the Class I Sterling Shares and the Class I Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I US Dollar Share exceeds the Indexed Net Asset Value per Class I US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Shares, Class I Sterling Shares and Class I Euro Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per US Dollar Share is calculated by adjusting the Net Asset Value per US Dollar Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.

The initial issue price of US$10 will be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.
Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Establishment Expenses

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. The establishment expenses are expected to amount to approximately €20,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.

Investment in Equity and Equity-Related Securities

The Fund may invest in equity and equity-related securities traded on recognised stock exchanges and over-the-counter markets. Equity securities will be subject to risks associated with such investments, including fluctuations in market prices, adverse issuer or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate
securities, including debt securities. The value of these securities varies with the performance of the respective issuers and movements in the equity markets generally. As a result, the Fund may suffer losses if it invests in equity securities of issuers where performance falls below market expectations or if equity markets in general decline or the Fund has not hedged against such a general decline. Futures and options on futures on equity securities and indices are subject to all the foregoing risks, in addition to the risks particularly associated with futures and derivative contracts.

**EMERGING MARKETS RISK**

**Economic & Political Factors**: Investments in securities of issuers located in emerging market countries involve special considerations and risks, including the risks associated with high rates of inflation, the limited liquidity and relatively small market capitalisation of the securities markets in emerging market countries, relatively higher price volatility and large amounts of external debt and political, economic and social uncertainties, including the possible imposition of exchange controls or other foreign governmental laws or restrictions which may affect investment opportunities. In addition, with respect to certain emerging market countries there is the possibility of political or social instability or diplomatic developments that could affect investments in those countries. Moreover, individual emerging market country economies may differ favourably or unfavourably from the economies of developed nations in such respects as growth of gross national product, rates of inflation, capital investments resources and self sufficiency and the balance of payments position.

The economies of some emerging market countries have experienced considerable difficulties in the past. Although in certain cases there have been significant improvements in recent years, many such economies continue to experience significant problems, including high inflation and interest rates. Inflation and rapid fluctuations in interest rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging market countries. The development of certain emerging market economies and securities markets will require continued economic and fiscal discipline, which has been lacking at times in the past, as well as stable political and social conditions. Recovery may also be influenced by international economic conditions, particularly those in the U.S. and by world prices for oil and other commodities. There is no assurance that economic initiatives will be successful. Certain of the risks associated with international investments and investing in smaller capital markets are heightened for investments in emerging market countries.

**Market Liquidity & Volatility**: The securities markets in emerging market countries are substantially smaller, less liquid and more volatile than the major securities markets in the United States and Europe. A limited number of issuers in most, if not all, securities markets in emerging market countries may represent a disproportionately large percentage of market capitalisation and trading volume. Such markets may in certain cases, be characterised by relatively few market makers, participants in the market being mostly institutional investors including insurance companies, banks, other financial institutions and investment companies. The listed equity securities of many companies in many emerging markets are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of many emerging markets and of quoted companies is also less developed than in many OECD countries. In addition, there may be a high measure of legal uncertainty concerning the rights and duties of market participants as compared to investments made through securities systems of
established markets. The combination of price volatility and the less liquid nature of securities markets in emerging market countries may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

**Information Standards:** In addition to their smaller size, lesser liquidity and greater volatility, securities markets in emerging markets are less developed than the securities markets in the U.S. and Europe with respect to disclosure, reporting and regulatory standards are less publicly available information about the issuers of securities in these markets than is regularly published by issuers in the United States and Europe. Further, corporate laws regarding fiduciary responsibility and protection of stockholders may be considerably less developed than those in the United States and Europe. Issuers in emerging market countries may not be subject to the same accounting, auditing and financial reporting standards.

**Custody Risk:** In a limited number of markets, particularly in emerging economies, where a no failed trade policy is standard market practice, assets may be assigned, transferred, exchanged or delivered without the prior approval of the Custodian or its agent. Once a sale order is placed in relation to assets of the Fund, by virtue of the operation of the settlement system within those markets, those assets will automatically move from custody of the Custodian without the need for the prior approval of the Custodian. Where this occurs the consideration for those assets is remitted to the entity releasing the assets.

**Currency Risk:** the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

**Investment in Russia:** Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder’s name on the share register of the issuer. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Furthermore, the standard of corporate governance and investor protection in Russia may not be equivalent to that provided in other jurisdictions.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

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NORTH AMERICAN FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and New York and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Index”, the MSCI North America Index, a free float weighted, USD based, equity index that is designed to measure the equity market performance of the United States and Canada. As of the date of this Supplement the MSCI North America Index comprised approximately 692 securities and had a total market capitalisation of approximately $13 trillion. Further details of the Index may be found on www.msci.com.


“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the North American Fund being the Class R US Dollar Shares, Class R Euro Shares, Class R GBP Shares, Class R Hedged Euro Shares, Class R Hedged GBP Shares, Class I US Dollar Shares, Class I Euro Shares, Class I GBP Shares, Class I Hedged Euro Shares, Class I Hedged GBP Shares, Class S US Dollar Shares, Class S Euro Shares, Class S GBP Shares, Class S Hedged Euro Shares and Class S Hedged GBP Shares.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Financial Opportunities Fund, the Global Insurance Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement contains information relating to the Share Classes of the North American Fund (the “Fund”). This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Directors do not anticipate that an active secondary market will develop in the Share Classes. Application has also been made for the listing of the Share Classes on the Channel Islands Stock Exchange.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is US Dollar.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.
INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve long term capital appreciation.

INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in a diversified portfolio of securities of North American companies. The Investment Manager will invest in large, medium and small capitalisation companies depending on market liquidity and as it judges the available opportunities.

The securities in which the Fund will invest will primarily include equity securities including, but not limited to ordinary and preference shares and equity warrants, which may be listed on a Regulated Market or unlisted, and issued by North American companies. The Fund may not invest more than 10% of its Net Asset Value in unlisted securities. The Fund may also invest in Global, American and European depository receipts for the purpose of gaining exposure to underlying equity securities. The Fund may invest in collective investment schemes with similar investment policies to the Fund but will invest no more than 10% of the Fund's Net Asset Value in aggregate in shares of any open-ended schemes.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options) contracts for difference and swaps, for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk or to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objective and policies above, and as further detailed below. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

Futures, forwards, options, contracts for difference and swaps may be used to hedge against downward movements in the value of the Fund's portfolio, either by reference to specific securities (i.e. equity securities) or markets to which the Fund may be exposed. These derivative instruments may also be used to gain or reduce the Fund's exposure to equity securities or markets on a short or medium term basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund.

Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

The Fund may engage in stocklending and enter into repurchase and reverse repurchase agreements for the purpose of efficient portfolio management, subject to the conditions and limits set out in the Central Bank's UCITS Notices.
The Fund will seek to outperform the MSCI North America Index whilst striving to limit the volatility of the Fund’s returns.

Investment Strategy

The Investment Manager will use both qualitative and quantitative screening methods focusing on quality and value to identify candidates for further in-depth proprietary research. This in-depth research will focus on the long term business fundamentals of the investment candidate as well as further business and stock valuation analysis before a focused portfolio is constructed. The Investment Manager expects to invest in a range of 40-60 stocks in most circumstances. This allows for both appropriate diversification, therefore mitigating stock specific risk but also allows a high degree of focus, therefore mitigating fundamental risk.

Portfolio construction is primarily driven by bottom-up fundamentals though set upon a framework that controls systematic risk.

BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual managers at Polar Capital LLP with prime responsibility for the Fund will be Andrew Holliman and Richard Wilson.

Andrew Holliman

Andrew joined Polar Capital in August 2011 to establish the North American equities team. Prior to joining Polar Capital, he spent 7 years at Threadneedle where he managed the highly rated $2.5bn Threadneedle American Fund as well as a number of global funds. His career began in 1997 at Baillie Gifford where he worked as an Investment Analyst on the American and UK Smaller Caps teams before becoming fund manager of the award winning American Fund. Andrew graduated with a First Class BCom (hons) in Business Studies from the University of Edinburgh in 1997 and also holds a masters degree in Investment Analysis from the University of Stirling. He is also a CFA charterholder.
**Richard Wilson**

Richard joined Polar Capital in August 2011 to establish the North American equities team. Prior to joining Polar Capital, he spent 9 years at Threadneedle where he managed more than $4.5bn of institutional mandates on the North American Equities team. He also headed up Threadneedle’s Global Industrial Sector Group and was a member of Threadneedle’s economic policy committee. He began his career in 1999, working as an Analyst on the US Equity team for Merrill Lynch Investment Management. Richard graduated with a First Class MA (hons) in History of Art from the University of Edinburgh in 1999. He is also a CFA charterholder.

**Administrator and Custodian**

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

**VALUATION OF ASSETS**

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) on that day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.
DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend, payable out of net income (including interest and dividends) in respect of each of the Fund’s Share Classes. Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period.

Income Equalisation

The Fund operates equalisation in relation to all Share Classes. A Shareholder who has purchased Shares during an accounting period will receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Shares in the relevant accounting period. All Shares purchased during an accounting period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Share Class and is refunded to them as part of the first distribution after their purchase of Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Share Classes who redeem their Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder’s risk and expense.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Distribution Shares.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Distribution Shares, unless a Shareholder elects to receive dividends in cash.
Any dividend paid on a Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

UK "OFFSHORE FUNDS" REGIME

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

MINIMUM SUBSCRIPTION AND MINIMUM HOLDING

Class R US Dollar Shares, Class R Euro Shares, Class R GBP Shares, Class R Hedged Euro Shares and Class R Hedged GBP Shares

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Shares, Class R Euro Shares, Class R GBP Shares, Class R Hedged Euro Shares, Class R Hedged GBP Shares.

Class I US Dollar Shares, Class I Euro Shares, Class I GBP Shares, Class I Hedged Euro Shares and Class I Hedged GBP Shares.
The Class I US Dollar Shares, Class I Euro Shares, Class I GBP Shares, Class I Hedged Euro Shares and Class I Hedged GBP Shares are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent).

The aggregate of an investor's investments in any Class I Shares, Class R Shares and Class S Shares or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

Class S US Dollar Shares, Class S Euro Shares, Class S GBP Shares, Class S Hedged Euro Shares and Class S Hedged GBP Shares.

The aggregate of an investor's investments in any Class R Shares, Class I Shares, Class S Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class S Shares may be waived or reduced at the sole discretion of the Directors.

OFFERING OF CLASS S SHARES

Existing holders of Class S Shares may subscribe for Class S Shares provided that they do not, at any point, redeem their holding of Class S Shares such that the number of Class S Shares held by them is less than the number of Class S Shares issued on initial subscription, unless such redemption, at the point of the redemption, meets the minimum holding requirement of US$5m (or its foreign currency equivalent) (subject to the discretion of the Directors to determine otherwise). Any holder of Class S Shares who redeems their holding as outlined above will not be permitted to subscribe for Class S Shares at a future date.

HEDGED SHARE CLASSES

The Fund will enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular Class into the currency of denomination of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Hedged Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Hedged Classes and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Classes.

Any currency exposure of a Hedged Class may not be combined with or offset against that of any other Class of the Fund. The currency exposure of the assets attributable to a Hedged Class may not be allocated to other Classes. Where the Investment Manager seeks to hedge against currency
fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value, adjusted if appropriate for subscriptions and redemption applications received but not due to be processed until the next following Dealing Day, and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month.

To the extent that hedging is successful for a particular Hedged Class the performance of the Hedged Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the US Dollar appreciates against the currency of the Hedged Class.

**SUBSCRIPTIONS**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the signed Application Form (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order, without a requirement to submit original documentation where applications are made by facsimile or telephone order, and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.
Failure to promptly provide the original Application Form within a reasonable timeframe may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).
Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

*Subscriptions in Specie*

In accordance with the provisions of Article 11 of the Memorandum and Articles of Association of the Company, the Company may accept in specie applications for shares in the Fund provided that the nature of the assets to be transferred into the Fund qualifies as investments of the Fund in accordance with its investment objectives, policies and restrictions. Assets so transferred shall be vested with the Custodian or arrangements shall be made to vest the assets with the Custodian. The number of Shares to be issued shall not exceed the amount that would be issued for the cash equivalent. The Custodian shall be satisfied that the terms of any exchange will not be such as are likely to result in any prejudice to the existing shareholders of a Fund.

*Subscription Monies*

*Method of Payment*

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

*Currency of Payment*

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

**REDEMPTIONS**

*Procedure*

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in
the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Redemption Price

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.
The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

**Timing of Payment**

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.
Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- A = number of Shares of the New Class to be allocated
- B = number of Shares of the Original Class to be converted
- C = redemption price per Share on the relevant Dealing Day for the Original Class
- D = the currency conversion factor determined by the Administrator
- E = subscription price per Share on the relevant Dealing Day for the New Class
FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

Investment Management Fees

Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares

The investment management fee payable in respect of the Class R US Dollar, Class R Euro Shares and Class R GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.35% per annum of the Net Asset Value of the Class R US Dollar, Class R Euro Shares and Class R GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R US Dollar Share exceeds the Indexed Net Asset Value per Class R US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class R US Dollar Share is calculated by multiplying the Net Asset Value per Class R US Dollar Share as at the date on which the last performance fee was paid by proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.
For the purposes of the performance fee calculation, the Net Asset Value per Class R US Dollar Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class R US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares,

The investment management fee payable in respect of the Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class I US Dollar Share exceeds the Indexed Net Asset Value per Class I US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class I US Dollar Share is calculated by multiplying the Net Asset Value per Class I US Dollar Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.
For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class I US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class S US Dollar Shares, Class S Euro Shares and Class S GBP Shares.

The investment management fee payable in respect of the Class S US Dollar Shares, Class S Euro Shares and Class S GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.60% per annum of the Net Asset Value of the Class S US Dollar Shares, Class S Euro Shares and Class S GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of US$10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class S US Dollar Shares, Class S Euro Shares and Class S GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class S US Dollar Share exceeds the Indexed Net Asset Value per Class S US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class S US Dollar Shares, Class S Euro Shares and Class S GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class S US Dollar Share is calculated by multiplying the Net Asset Value per Class S US Dollar Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.
For the purposes of the performance fee calculation, the Net Asset Value per Class S US Dollar Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class S US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class S US Dollar Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class R Hedged Euro Shares and Class R Hedged GBP Shares

The investment management fee payable in respect of the Class R Hedged Euro Shares and the Class R Hedged GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.35% per annum of the Net Asset Value of the Class R Hedged Euro Shares and the Class R Hedged GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of GBP/EURO 10 in respect of the Class R Hedged Euro Shares and the Class R Hedged GBP Class shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period for the Class R Hedged Euro Shares and Class R Hedged GBP Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R Hedged Euro Shares and Class R Hedged GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class R Hedged Euro Shares and Class R Hedged GBP Shares exceeds the Indexed Net Asset Value for the Class R Hedged Euro Shares and the Class R Hedged GBP Shares as at the Payment Date multiplied by the weighted average number of Class R Hedged Euro Shares and Class R Hedged GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each Class R Hedged Euro Share and Class R Hedged GBP Share is calculated by adjusting the Net Asset Value for each Class R Hedged Euro Share and Class R Hedged GBP Share as at the date on which the last performance fee was paid for each Class R Hedged Euro Share and Class R Hedged GBP Share by the comparative performance of the Index
since the date on which the last performance fee was paid for each Class R Hedged Euro Share and Class R Hedged GBP Share or the date of issue of the relevant Shares, whichever is later.

The index performance for the relevant period is adjusted to reflect a hedge into Euros and Sterling, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Class R Hedged Euro Shares or the Class R Hedged GBP Shares outperforms their respective Indexes. If, during a performance fee period, the performance of the Class R Hedged Euro Shares or the Class R Hedged GBP Shares does not exceed the performance of their Indexes, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I Hedged Euro Shares and Class I Hedged GBP Shares

The investment management fee payable in respect of the Class I Hedged Euro Shares and the Class I Hedged GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Class I Hedged Euro Shares and the Class I Hedged GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of GBP/EURO 10 in respect of the Class I Hedged Euro Shares and the Class I Hedged GBP Class shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period for the Class I Hedged Euro Shares and Class I Hedged GBP Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I Hedged Euro Shares and Class I Hedged GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class I Hedged Euro Shares and Class I Hedged GBP Shares exceeds the Indexed Net Asset Value for the Class I Hedged Euro Shares and the Class I Hedged GBP Shares as at the Payment Date multiplied by the weighted average number of Class I Hedged Euro Shares and Class I Hedged GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.
The Indexed Net Asset Value for each Class I Hedged Euro Share and Class I Hedged GBP Share is calculated by adjusting the Net Asset Value for each Class I Hedged Euro Share and Class I Hedged GBP Share as at the date on which the last performance fee was paid for each Class I Hedged Euro Share and Class I Hedged GBP Share by the comparative performance of the Index since the date on which the last performance fee was paid for each Class I Hedged Euro Share and Class I Hedged GBP Share or the date of issue of the relevant Shares, whichever is later.

The index performance for the relevant period is adjusted to reflect a hedge into Euros and Sterling, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Class I Hedged Euro Shares or the Class I Hedged GBP Shares outperform their respective Indexes. If, during a performance fee period, the performance of the Class I Hedged Euro Shares or the Class I Hedged GBP Shares does not exceed the performance of their Indexes, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class S Hedged Euro Shares and Class S Hedged GBP Shares

The investment management fee payable in respect of the Class S Hedged Euro Shares and the Class S Hedged GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.60% per annum of the Net Asset Value of the Class S Hedged Euro Shares and the Class S Hedged GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of GBP/EURO 10 in respect of the Class S Hedged Euro Shares and the Class S Hedged GBP Class shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period for the Class S Hedged Euro Shares and Class S Hedged GBP Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class S Hedged Euro Shares and Class S Hedged GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class S Hedged
Euro Shares and Class S Hedged GBP Shares exceeds the Indexed Net Asset Value for the Class S Hedged Euro Shares and the Class S Hedged GBP Shares as at the Payment Date multiplied by the weighted average number of Class S Hedged Euro Shares and Class S Hedged GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each Class S Hedged Euro Share and Class S Hedged GBP Share is calculated by adjusting the Net Asset Value for each Class S Hedged Euro Share and Class S Hedged GBP Share as at the date on which the last performance fee was paid for each Class S Hedged Euro Share and Class S Hedged GBP Share by the comparative performance of the Index since the date on which the last performance fee was paid for each Class S Hedged Euro Share and Class S Hedged GBP Share or the date of issue of the relevant Shares, whichever is later.

The index performance for the relevant period is adjusted to reflect a hedge into Euros and Sterling, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Class S Hedged Euro Shares or the Class S Hedged GBP Shares outperform their respective Indexes. If, during a performance fee period, the performance of the Class S Hedged Euro Shares or the Class S Hedged GBP Shares does not exceed the performance of their Indexes, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

**Establishment Expenses**

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. The establishment expenses are expected to amount to approximately €25,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

**RISK FACTORS**

Potential investors should consider the general risk factors set out in the Prospectus.
In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

ASIAN FINANCIALS FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, means a day (other than Saturday or Sunday) on which banks and/or stock exchanges/markets in both Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Company on that day are open for business (including dealings in foreign exchange and foreign currency deposits);

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight);


“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Asian Financials Fund being the Class A US Dollar Shares.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
ASIAN FINANCIALS FUND  
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of The Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary list.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is US Dollar.

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

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.
INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve medium-term capital appreciation and to generate growth of investors’ capital by investing in the equities of banking, insurance and other financial services companies, to include but not limited to, asset managers, asset gatherers, consumer finance companies and real estate/property companies.

INVESTMENT POLICIES

In order to achieve its objective the Fund will invest in listed securities (including ordinary shares, stocks and convertible bonds) issued by banking, insurance and other financial services companies. With the exception of (i) permitted investments in units of open ended collective investments, (ii) investment in unlisted securities (subject to a limit of 10 per cent of the Net Asset Value of the Fund) which may include investment of up to 10 per cent of the Net Asset Value of the Fund in initial public offering stocks of banking, insurance and other financial services companies as detailed above, investment by the Fund is restricted to the Regulated Markets listed from time to time in the Prospectus. Investment will be made in the equity securities of financial services companies listed or traded on Regulated Markets in the Far Eastern markets outside Japan although the Fund reserves the right to invest in financial services companies whose securities are traded on other Regulated Markets where these companies derive a substantial proportion (i.e. greater than 30 per cent) of their profits from Far Eastern markets outside Japan. In addition, the Fund may invest in the equities of companies whose principal business is to provide support services to such financial services companies and the securities of such companies will be listed or traded on any Regulated Market. The Fund may invest more than 20 per cent of its Net Asset Value in emerging markets.

The Directors expect that at least 50 per cent of the Net Asset Value of the Fund will be invested in equities of companies whose primary activity is banking.

As stated above, the Fund may invest in transferable securities with embedded derivatives such as convertible bonds for efficient portfolio management purposes or to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities detailed above. The leveraged exposure of the Fund through the use of convertible bonds will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

It is the policy of the Directors that the Fund will be predominantly fully invested although the Fund may from time to time invest up to 100% of its Net Asset Value in cash and non-government and government investment grade debt securities which are listed and/or traded on Regulated Markets for ancillary liquid asset purposes where this is considered to be in the best interests of Shareholders of the Fund; for example, during periods of market uncertainty where such investment is deemed to be important for defensive purposes. The Fund may invest in money market instruments such as open ended money market funds comprising of short-term securities representing high quality liquid debt and monetary instruments, subject to an overall limit of no more than 10 per cent of the Fund’s Net Asset Value being invested in open-ended collective investment schemes.
INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual manager at Polar Capital LLP with prime responsibility for the Fund will be John Yakas.

John Yakas joined Polar Capital in September 2010. John has over 20 years experience in the financial services industry. Previously, he worked for HSBC in Hong Kong and was the head of Asian research at Fox-Pitt, Kelton in 1995 and established their office in Hong Kong in 2000. John joined Hiscox Investment Management in 2003 (subsequently HIM Capital).

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

If sufficient net income is available in respect of the Fund, the Directors current intention is to declare
an annual distribution of substantially the whole of the net income (including interest and dividends) of the Fund which will be distributed by 31 March in each year.

<table>
<thead>
<tr>
<th>Record Date</th>
<th>Ex Dividend Date</th>
<th>For Distribution By</th>
</tr>
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<tbody>
<tr>
<td>31 December (final)</td>
<td>First Business Day in January</td>
<td>31 March</td>
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</table>

Shareholders may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Distribution Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder's risk and expense.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares, unless a Shareholder elects to receive dividends in cash.

Any dividend paid on a Distribution Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

**MINIMUM SUBSCRIPTION AND MINIMUM HOLDING**

**Class A US Dollar Shares**

The Class A US Dollar Shares are subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign currency equivalent).

The aggregate of an investor’s investments in the Class A US Dollar Shares or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class A Shares may be waived or reduced at the sole discretion of the Directors. The minimum subscription amount will be waived in respect of Shareholders who transfer from the Polar Capital Asian Financials Fund to the Fund as part of a scheme of amalgamation.

There is no minimum holding amount.

**SUBSCRIPTIONS**

**Procedure**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to
whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the Business Day prior to the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

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(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares which will include an amount of accrued income (see the description of “Income Equalisation” on page 8 will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares purchased during a Distribution Period (see the section headed “Dividend Policy”) will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 3.5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.
The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

**Subscription Monies**

**Method of Payment**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

**Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

**REDEMPTIONS**

**Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 434 5007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering
procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.
Currency of Payment

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below. Switching may be effected written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to a redemption fee, if any) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).
The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

A = number of Shares of the New Class to be allocated
B = number of Shares of the Original Class to be converted
C = redemption price per Share on the relevant Dealing Day for the Original Class
D = the currency conversion factor determined by the Administrator
E = subscription price per Share on the relevant Dealing Day for the New Class

**FEES AND EXPENSES**

**General**

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

**Subscription of Shares**

A subscription fee of up to 3.5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

**Investment Management Fees**

**Class A US Dollar Shares**

The investment management fee payable in respect of each of the Class A US Dollar Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.00% per annum of the Net Asset Value of Class A US Dollar Shares.

**Performance Fee**

The Investment Manager is also entitled to receive in respect of the Class A US Dollar Shares a performance related investment management fee (a “Performance Fee”) which is accrued daily and payable annually in arrears in respect of each performance period if the Fund meets certain objectives in respect of the respective performance of the Class A US Dollar Shares. The performance periods of the Fund comprise successive calendar years ending on 31 December of each relevant year (or parts thereof, as appropriate). The first performance period for the Class A US Dollar Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on 31 December 2012.
In order for a Performance Fee to be payable for a Class A Share Class in respect of a performance period the respective Net Asset Value of the Class A US Dollar Shares on the last Business Day of the relevant performance period before deducting the amount of any accrual for a Performance Fee (the “Final Net Asset Value per Class A US Dollar Shares”) must exceed the higher of (i) the highwater mark for the Polar Capital Asian Financials Fund (which highwater mark is 247.89 and is calculated in the same manner as the highwater mark of the Fund as set out below) on the last Business Day immediately prior to the date on which the assets of the Polar Capital Asian Financials Fund were transferred to the Fund (the “Transfer Date”) (adjusted for any dividends paid since the end of a period in which a performance fee was last paid by the Polar Capital Asian Financials Fund) or (ii) the Net Asset Value per Share of the Share Class at the end of any previous relevant period in which a Performance Fee was paid after the payment of such Performance Fee (a “Highwater Mark”). Where the Highwater Mark is exceeded, the Performance Fee payable per Class A US Dollar Shares is equal to 10 per cent of the amount by which the Final Net Asset Value per Class A US Dollar Shares for the relevant period exceeds the relevant Highwater Mark.

The total Performance Fee payable in respect of the relevant period will be an amount equal to the Performance Fee per Class A US Dollar Shares as calculated above multiplied by the average number of Class A US Dollar Shares in issue on each Dealing Day in the relevant period.

The Performance Fee will be verified by the Custodian on a monthly basis.

Where performance fees are payable by the Fund, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition, potential investors should note that the investments of the Fund are subject to market fluctuations and other risks inherent in investing in equities markets and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them, and therefore the value of, and income from the Shares of the Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investments to diminish or increase. An investor who realises Shares of the Fund after a short period may, in addition, not realise the amount originally invested in view of any initial charge made on the issue of Shares of the Fund. The difference at any one time between the Net Asset Value of Shares for the purposes of purchase and redemptions means that investment in the Fund should be viewed as medium to long term.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based
on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of which is to monitor and manage the various risks associated with financial derivative instruments. Any financial derivative instruments not included in the risk management process will not be utilised until such time as a revised submission has been cleared by the Central Bank. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22\textsuperscript{nd} January, 2013 the Prospectus accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

FINANCIALS INCOME FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22\textsuperscript{nd} JANUARY, 2013
DEFINITIONS

“Business Day”, means a day (other than Saturday or Sunday) on which commercial banks and/or stock exchanges/markets in both Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Company on that day are open for business (including dealings in foreign exchange and foreign currency deposits);

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight);

“Polar Capital Asian Financials Fund” a sub-fund of Polar Capital Financials Funds plc, an umbrella type investment company with variable capital incorporated with limited liability in Ireland with registered number 315930;

“Index”, the Dow Jones Stoxx Financials Index (SXFINR Index), sterling adjusted; this is a capitalisation weighted net return index of European companies involved in financial services; This sector includes ICB sub-sectors such as banks, insurance, real estate and financial services;

“Official List and the Main Securities Market” the Official List and Main Securities Market of the Irish Stock Exchange;

“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Financials Income Fund being the Class A1 GBP Distribution Shares, Class A2 GBP Accumulation Shares, Class B1 GBP Distribution Shares and Class B2 GBP Accumulation Shares;

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
FINANCIALS INCOME FUND  
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary list.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is Sterling.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an income fund, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.

Shareholders and prospective investors should note that all of the fees and expenses of the Fund will be charged to the capital of the Fund. This will have the effect of lowering the capital value of an investment in the Fund. Capital may be eroded and “income” will be achieved by foregoing the potential for future capital growth. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.
INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide an attractive level of income together with capital growth.

INVESTMENT POLICIES

In order to achieve its objective the Fund will invest primarily in the equity, debt and other securities of listed financial companies.

The debt securities in which the Fund will invest will be fixed and floating rate and include, but are not limited to, preference shares, convertible bonds, debentures and bonds with the restriction that unrated debt securities will not be greater than 25% of the Net Asset Value of the Fund. The other securities in which the Fund may invest will be securities with equity characteristics, including but not limited to preferred stocks, as well as depository receipts (including global depositary receipts traded) for such securities.

Investment by the Fund in the above securities is restricted to securities listed on the Regulated Markets set out from time to time in the Prospectus. Investment will be made in the securities of companies listed or traded on global Regulated Markets. To the extent that the Fund will invest in the securities of companies listed or traded in emerging markets, such investment will not exceed 20% of the Net Asset Value of the Fund. In addition, the Fund may invest in the equities of companies whose principal business is to provide support services to such financial sector companies, or companies which derive a substantial proportion of their profits from the financial sector, to include but not limited to IT/software companies and finance companies, and the securities of such companies will be listed or traded on any global Recognised Exchange. The Fund may invest up to 10% of the Net Asset Value of the Fund in unlisted securities which may include initial public offering stocks of financial companies.

The Investment Manager will ordinarily endeavour, in normal market conditions, to adhere to the above investment policies, however, the Fund may, from time to time hold up to 100% of the Fund's Net Asset Value in cash for general cash management and liquidity purposes, or if such investments were considered to be in the best interests of the Shareholders of the Fund. The Fund may invest in money market instruments such as open ended money market funds comprising of short-term securities representing high quality liquid debt and monetary instruments, subject to an overall limit of no more than 10% of the Fund's Net Asset Value being invested in open-ended collective investment schemes.

The Fund may utilise financial derivative instruments for investment and efficient portfolio management purposes as further detailed below; such financial derivative instruments may include futures, exchange traded and over-the-counter options, contracts for difference, index swaps, total return swaps, forward foreign exchange contracts, currency swaps or participation notes. The extent that the Fund may be leveraged as a result of the use of derivatives for investment purposes will vary but it is expected not to exceed 50% of the Net Asset Value of the Fund in normal market conditions. However, the Fund has the capacity to be leveraged up to 100% of its Net Asset Value. The global exposure of the Fund shall be measured using the commitment approach.
The following is a description of the types of financial derivative instruments which may be used by the Fund.

**Exchange Traded Futures:** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract’s delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred. The Fund may enter into futures contracts for both efficient portfolio management purposes and investment purposes. Equity index futures may be used to change the sensitivity to equity market price movements, with reference to the market represented by the index underlying the contract.

**Options:** The Fund may from time to time purchase or sell options for both efficient portfolio management purposes and investment purposes. The types of option contract are limited to equity option contracts, equity index option contracts, bond option contracts and foreign exchange option contracts. There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. Options may also be cash settled. The Fund may be a seller or buyer of put and call options.

**Contracts for Difference (CFDs):** The Fund may enter into CFDs for both efficient portfolio management purposes and investment purposes. CFDs may be used to change the sensitivity of the portfolio to individual equity price movements. The Fund may enter into CFDs as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of FDI over transferable securities. CFD are also utilised to obtain synthetic short exposures to particular issuers. CFD allows a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFD are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. CFDs are OTC FDIs and the counterparty will usually be an investment bank or broker.
OTC Futures and Index Swaps: The Fund may enter into OTC futures and index swaps contracts for both efficient portfolio management purposes and investment purposes. OTC futures and index swap contracts may be used to change the sensitivity to equity market price movements, with reference to the market represented by the index underlying the contract.

Forward Foreign Exchange Contracts: Forwards are not traded on exchanges but are Over the Counter (OTC) transactions. A forward contract locks-in the price at which an index or 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 foreign exchange contracts may be used for the most part for hedging purposes to seek to reduce foreign exchange risk where the assets of a Fund are denominated in currencies other than the Base Currency but may also be used to take views on the direction of currency movements. The Fund may from time to time enter into currency exchange transactions to protect against fluctuations in the relative value of its portfolio positions as a result of changes in currency exchange rates.

Forward Exchange Swaps: A forward exchange swap contract is an agreement negotiated between two parties to exchange the return on cash for the return on varying currencies. The Fund may from time to time enter into forward currency exchange swaps transactions to protect against fluctuations in the relative value of its portfolio positions as a result of changes in currency exchange rates.

Swaps or Participation Notes: The Fund may from time to time purchase swaps and participation notes, the underlying securities of which are the types of securities set out above in the section “Investment Objective and Policies”, where access to such underlying securities is difficult or more risk is involved in the local settlement process. The swaps or participation notes (which include index swaps and total return swaps) will only be used to obtain access to a specific security, however the Investment Manager considers that this will only be undertaken in limited markets and limited cases. The local security will be purchased by a local branch of an internationally recognised investment bank/broker who will issue a swap or participation note on the underlying security. The counterparty to the Fund is the internationally recognised investment bank/broker. The Fund will diversify its exposure to counterparties by trading with several internationally recognised investment banks/brokers at any given time. The swap/participation note will be monitored on a daily basis by reviewing the price of the swap/participation note to the price, or the movement in the price, of the underlying security.

The use of repurchase and stock lending arrangements is permitted for the Fund for the purposes of efficient portfolio management only, subject to the conditions and limits of the Central Bank.

BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.
Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual manager at Polar Capital LLP with prime responsibility for the Fund will be Nick Brind.

Nick joined Polar Capital in September 2010 following the acquisition of HIM Capital. He has 17 years investment experience across a wide range of asset classes including UK equities, closed end funds, fixed-income securities, European financials, private equity and derivatives. Prior to joining HIM Capital, Nick managed the New Star Financial Opportunities Fund, a high-income financials fund investing in the equity and fixed-income securities of European financial companies, which outperformed its benchmark index in all 6 of the years that Nick managed it. From 1997 to 2003 at Exeter Asset Management Nick managed the Exeter Capital Growth Fund, which was in the top decile of the IMA UK All Companies Sector over the period he managed it, as well as assisting on a number of other funds. Nick has a Masters in Finance from London Business School.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in Sterling. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00 p.m. (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

Distribution Share Classes

Dividends and Distribution Dates
If sufficient net income is available in respect of the Fund, the Directors’ current intention is to declare quarterly distributions (including interest and dividends) which will be distributed by the last Business Day of each quarter as detailed below of substantially the whole of the net income.

<table>
<thead>
<tr>
<th>Record Date</th>
<th>Ex Dividend Date</th>
<th>For Distribution By</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-Mar</td>
<td>First Business Day in April</td>
<td>Last Business Day in April</td>
</tr>
<tr>
<td>30-Jun</td>
<td>First Business Day in July</td>
<td>Last Business Day in July</td>
</tr>
<tr>
<td>30-Sep</td>
<td>First Business Day in October</td>
<td>Last Business Day in October</td>
</tr>
<tr>
<td>31-Dec</td>
<td>First Business Day in January</td>
<td>Last Business Day in January</td>
</tr>
</tbody>
</table>

In order to enable the Fund to pay a larger distribution amount the expenses which are attributable to the Fund are charged to capital. The effect of this is that capital will be eroded to allow higher dividends to be paid, thereby reducing the potential for future capital growth.

**Income Equalisation**

The Fund operates equalisation in relation to all Distribution Share Classes. A Shareholder who has purchased Distribution Shares during a Distribution Period will receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Distribution Shares in the relevant Distribution Period. All Distribution Shares purchased during a Distribution Period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Distribution Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Distribution Share Class and is refunded to them as part of the first distribution after their purchase of Distribution Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Distribution Share Classes who redeem their Distribution Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders of Distribution Shares may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Distribution Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Distribution Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder’s risk and expense.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Distribution Shares, unless a Shareholder elects to receive dividends in cash.
Any dividend paid on a Distribution Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

**Accumulation Share Classes**

It is not the current intention to pay dividends in respect of the Accumulation Share Classes

**MINIMUM SUBSCRIPTION AND MINIMUM HOLDING**

*Class A1 GBP Distribution Shares and Class A2 GBP Accumulation Shares.*

There is no minimum subscription or minimum holding requirement.

*Class B1 GBP Distribution Shares and Class B2 GBP Accumulation Shares.*

The Class B1 GBP Distribution Shares and Class B2 GBP Accumulation Shares are each subject to a minimum subscription of GBP1 million (or its foreign currency equivalent).

The aggregate of an investor’s investments in the Class A1 GBP Distribution Shares, Class A2 GBP Accumulation Shares, Class B1 GBP Distribution Shares and Class B2 GBP Accumulation Shares or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription for all Class B Shares may be waived or reduced at the sole discretion of the Directors. The minimum subscription amount will be waived in respect of Shareholders who transfer from the Polar Capital Financials Income Fund to the Fund as part of a scheme of amalgamation.

There is no minimum holding requirement.

**OFFER**

Shares are available to investors at the Net Asset Value per Share on the relevant Dealing Day.

**SUBSCRIPTIONS**

**Procedure**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.
Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;
(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares which will include an amount of accrued income (see the description of “Income Equalisation” on page 8 will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares purchased during a Distribution Period (see the section headed “Dividend Policy”) will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 3.5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.
Subscription Monies

Method of Payment

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on + 353 1 434 5007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).
Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:-

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.
Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below. Switching may be effected written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to a redemption fee, if any) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:
A = \frac{B \times C \times D}{E}

Where

A = number of Shares of the New Class to be allocated
B = number of Shares of the Original Class to be converted
C = redemption price per Share on the relevant Dealing Day for the Original Class
D = the currency conversion factor determined by the Administrator
E = subscription price per Share on the relevant Dealing Day for the New Class

**FEES AND EXPENSES**

**General**

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus. All fees and expenses of the Fund shall be charged to the capital of the Fund.

**Subscription of Shares**

A subscription fee of up to 3.5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

**Investment Management Fees**

The Investment Manager is entitled to receive a periodic investment management fee which accrues daily and is payable monthly in arrears at the following annual rates:

- 1.25% of the Net Asset Value of the Class A1 GBP Distribution Shares and Class A2 GBP Accumulation Shares; and
- 0.75% of the Net Asset Value of the Class B1 GBP Distribution Shares and Class B2 GBP Accumulation Shares.

**Performance Fee**

The Investment Manager is also entitled to receive a performance related investment management fee (a “Performance Fee”) which is accrued daily and payable semi-annually in arrears in respect of each performance period if the Fund meets certain objectives in respect of the performance of the each class of Shares. The performance periods of the Fund comprise periods ending on 30 June and ending on 31 December of each relevant year (or parts thereof, as appropriate). The first performance period for the Fund will be the period commencing on the Business Day immediately following the close of the Initial Offer Period of the relevant class(es) of Shares and ending on 30 June 2012.
The rules governing the payment of a Performance Fee to the Investment Manager are as follows:

1. In order for a Performance Fee to be payable in respect of a performance period, the Net Asset Value per relevant Share on the last Business Day of the relevant performance period (after adding back any dividends paid by the Fund before deducting the amount of any accrual for a Performance Fee) (the “Final Net Asset Value per relevant Share”) must exceed the “Hurdle” for that performance period. Where the Hurdle is exceeded, the Performance Fee payable per relevant Share of the relevant Class in the Fund is equal to 10% of the amount by which the Final Net Asset Value per relevant Share for the performance period exceeds the relevant Hurdle. The total Performance Fee payable in respect of the relevant performance period will be an amount equal to the Performance Fee per relevant Share of the relevant Class of the Fund, as calculated above, multiplied by the average number of Shares of the relevant Class in issue on each Dealing Day of the relevant Performance Period.

2. The “Hurdle” for the first performance period of the Fund is the Net Asset Value per Share Class on the last Business Day of the latest preceding performance period in respect of which a Performance Fee has been paid prior to the transfer of the assets from the Polar Capital Financials Income Fund to the Fund (the “Transfer Date”), (which hurdle rate is: Class A1 - 0.9577, Class A2 - 1.0892, Class B1 - 0.9654 and Class B2 - 1.0957), adjusted, by the total return of the Dow Jones Stoxx Financials Index, Sterling adjusted over the period since the Performance Fee was last paid. The Hurdle for subsequent performance periods (subject to a Performance Fee having been paid) is the Net Asset Value per Share Class on the last Business Day of the latest preceding performance period in respect of which a Performance Fee has been paid, adjusted, by the total return of the Dow Jones Stoxx Financials Index, Sterling adjusted over the period since the Performance Fee was last paid. A Performance Fee cannot be paid if the Net Asset Value per the relevant Share Class after adjusting for dividends is below the most recent Net Asset Value per relevant Share Class at which any Performance Fee has been paid after adjusting for dividends.

The Performance Fee will be verified by the Custodian on a monthly basis.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

The Directors have the power to issue further classes of Shares in respect of the Fund to which different initial, exit, investment management and/or performance charges and fees may apply.

**RISK FACTORS**

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the
Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

Risk Management Process

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Company and each of its Funds with the objective of enabling it to accurately measure, monitor and manage the various risks associated with financial derivative instruments. Any financial derivative instruments not included in the risk management process will not be utilised until such time as a revised submission has been cleared by the Central Bank. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

EUROPEAN MARKET NEUTRAL FUND

(A Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight).


“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the European Market Neutral Fund being the Class R Euro Shares, Class R US Dollar Shares, Class R GBP Shares, Class R Hedged US Dollar Shares, Class R Hedged GBP Shares, Class I Euro Shares, Class I US Dollar Shares, Class I GBP Shares, Class I Hedged US Dollar Shares and Class I Hedged GBP Shares.

“Valuation Point”, 12 noon (Irish Time) on the relevant Dealing Day.
EUROPEAN MARKET NEUTRAL FUND  
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Financial Opportunities Fund, the Global Insurance Fund, the North American Fund, the Financials Income Fund, the Asian Financials Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is Euros.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), understand the Fund’s intended low to medium volatility profile may be difficult to achieve in all market conditions and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.

The Fund may at any one time be significantly invested in financial derivative instruments.

INVESTMENT OBJECTIVE

The Fund’s investment objective is to achieve absolute returns, regardless of the direction of the European stock market.
INVESTMENT POLICIES

The Fund will invest predominantly in the equities of European companies and, to a significantly lesser degree (and in any event no more than 20% of the Net Asset Value of the Fund), global equities. Investment may be made directly in securities or by taking exposure through derivatives, which may represent a significant proportion of the Fund’s portfolio at any given time.

No more than 5% of the Net Asset Value of the Fund will be invested directly or indirectly in companies with a market capitalisation of less than EUR €500 million at the time of initial purchase.

The Investment Manager will adopt what it believes to be an overall risk averse approach to investment, which will include taking synthetic short positions through the use of derivatives to seek to generate, protect and enhance the absolute returns achieved, and under normal market conditions, the Fund’s net exposure will not at any time exceed the following limits:

Net short exposure: 30%
Net long exposure: 30%

The derivatives in which the Fund may invest include

Futures - Equity Futures and Equity index Futures
Options – Equity Options and Equity index Options
Swaps – Equity Swaps,
Contracts for difference on equities
Convertible bonds into equity
Equity warrants

Use of derivatives will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Company approved by the Central Bank.

These conditions include the requirement to ensure that position exposure to the asset underlying a derivative, when combined with positions resulting from a direct investment in the same asset, will not exceed the investment restrictions set out in Appendix II of the Prospectus and the Central Bank’s Notices.

The Fund will be leveraged through the use of derivatives, and this leverage will be measured in two ways. Firstly, the Fund’s global exposure will be measured using the absolute VaR method, and managed so as not to exceed 20% of the Net Asset Value of the Fund when calculated over a holding period of 20 working days and using a one-tailed 99% confidence level and an effective observation period (history) of risk factors of at least 1 year (250 business days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions).

Secondly, gross leverage, calculated as the sum of the absolute notional values of the derivatives used in the Fund, is not anticipated to exceed 200 % of the Net Asset Value of the Fund at any given time.
The Fund may, in addition, invest in fixed and/or floating rate government, government agency and investment grade corporate bonds as rated by Standard & Poor’s and other recognised agencies, and may hold cash. Investment in these instruments will be used for defensive purposes rather than as a method of achieving capital growth.

The Fund may, on an ancillary basis, hold liquid assets comprising cash and money market funds listed on a Regulated Market having a residual maturity of less than 12 months and may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes which include UCITS or non-UCITS exchange traded funds (“ETF’s”) which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to the equity securities comprised in the indices tracked by the ETFs. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, emerging markets. Investment in non-UCITS ETF’s which are considered by the Investment Manager to be transferable securities will be in accordance with the requirements of the Central Bank.

The Investment Manager may, within the limits set forth in the investment restrictions described in Appendix II, and in accordance with the requirements of the Central Bank, engage in a policy of currency hedging (through the use of currency forwards) when it is thought to be appropriate and in the best interests of the Fund.

### Investment Strategies and Stock Selection

The Investment Manager will identify investment opportunities through a combination of qualitative and quantitative analysis. In addition, the Investment Manager will focus on thematic issues (i.e. investments undertaken based on business or economic trends/themes in the markets) and technical analysis.

Capital preservation will be the Investment Manager’s primary consideration when making investment decisions and as such the Investment Manager will consistently analyse opportunities on a risk-reward basis at both the stock-specific and portfolio aggregate levels.

The Investment Manager will identify such opportunities through formulation of economic and financial market theses, monitoring of company news-flow and examination of technical indicators and valuation metrics. These opportunities will then be both qualitatively and quantitatively assessed on a stock-specific level.

The following investment principles will be focused on:

- Investment in companies which consistently achieve returns above their cost of capital.
- Taking synthetic short positions in companies which consistently fail to meet their cost of capital
- The application of core valuation methodologies identifying situations of over and undervaluation
The Investment Manager will model best, worst and base-case scenarios to enable the Investment Manager to quantify the risk-reward profile. The process will be the same for both long positions and synthetic short positions taken through the use of derivatives, as will be the valuation metrics, such as discounted cash flow analysis, price / earnings and enterprise value / sales ratios. Once an investment conclusion has been reached, technical analysis will be utilized to time entry and exit points.

The Investment Manager’s style is to blend a portfolio of core long term fundamental positions with an overlay of shorter term trading positions. The Fund will consist of a core portfolio of fundamental positions that reflect the Investment Manager’s long term outlook and consequently these positions may be held for a year or more. The balance of the Fund will consist of a portfolio of shorter term trading positions which are more opportunistic in nature and which will seek to take advantage of short term pricing anomalies. These shorter term trading positions may be held for periods as short as several weeks.

BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual manager at Polar Capital LLP with prime responsibility for the Fund will be Ton Tjia.

Ton Tjia – Fund Manager

Ton joined Polar Capital in October 2011 to establish the European Market Neutral team. With over 30 years of investment experience, he is one of the most experienced long/short European managers with an 11 year long/short track record of consistent returns. Prior to joining Polar Capital, Ton was at Ratio Asset Management (2009-2011) where he seeded and managed the US$15m Ratio European Opportunities Fund, the management of which has transferred to Polar Capital. Previously, Ton worked at Millennium Capital Partners (2006-9) running a quasi-market neutral long/short European equities book. He founded Olympus Capital Management in July 1997 and launched the Olympus Euro Fund, one of the first European long/short equity funds. Ton also ran European Research at Schroder Investment Management (1986-97) and prior to this he was Chief Investment Officer in Pierson’s US fund management operations in Wilmington (DE) (1980-6). Ton graduated from the University of Amsterdam with a Doctoral degree in Econometric Sciences.
Bradley Reynolds – Analyst

Brad joined Polar in October 2011 as an Analyst in the European Market Neutral team. He has over 10 years of industry experience. Prior to joining Polar Capital, Brad worked at Ratio Asset Management as an Analyst (Feb 2011 - Oct 2011). From 2007 to 2011, he worked at F&C as a hedge fund analyst. Brad started his career in 2001 at Gartmore Investment Management working within the hedge fund team. Brad graduated from University of Hertfordshire with a degree in Business Studies and has passed the Level 1 examination of the CFA Program.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in Euro. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator on that day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend, payable out of net income (including interest and dividends) in respect of each of the Fund’s Share Classes. Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period.

Income Equalisation

The Fund operates equalisation in relation to all Share Classes. A Shareholder who has purchased Shares during an accounting period will receive a distribution made up of two amounts:

- Income which has accrued from the date of purchase, and
• Capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Shares in the relevant accounting period. All Shares purchased during an accounting period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Share Class and is refunded to them as part of the first distribution after their purchase of Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax.

Conversely, Shareholders of all Share Classes who redeem their Shares during an accounting period will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder's risk and expense.

Any distribution for dividend entitlements of less than Euro100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Distribution Shares, unless a Shareholder elects to receive dividends in cash.

Any dividend paid on a Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

UK "OFFSHORE FUNDS" REGIME

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds"
Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period, adjusted where appropriate to reflect the income equalisation arrangements described above.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

MINIMUM SUBSCRIPTION AND MINIMUM HOLDING

**Class R Euro Shares, Class R US Dollar Shares, Class R GBP Shares, Class R Hedged US Dollar Shares and Class R Hedged GBP Shares**

There is no minimum subscription or minimum holding requirement for the Class R US Euro Shares, Class R US Dollar Shares, Class R GBP Shares, Class R Hedged US Dollar Shares, and Class R Hedged GBP Shares.

**Class I Euro Shares, Class I US Dollar Shares, Class I GBP Shares, Class I Hedged US Dollar Shares and Class I Hedged GBP Shares.**

The Class I Euro Shares, Class I US Dollar Shares, Class I GBP Shares, Class I Hedged US Dollar Shares and Class I Hedged GBP Shares are each subject to a minimum subscription and minimum holding requirement of Euros 1 million (or its foreign currency equivalent).

The aggregate of an investor's investments in any Class I Shares and Class R Shares or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.

**HEDGED SHARE CLASSES**

The Fund will enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular Class into the currency of denomination of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Hedged Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Hedged Classes and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Classes.
Any currency exposure of a Hedged Class may not be combined with or offset against that of any other Class of the Fund. The currency exposure of the assets attributable to a Hedged Class may not be allocated to other Classes. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value, adjusted if appropriate for subscriptions and redemption applications received but not due to be processed until the next following Dealing Day, and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month.

To the extent that hedging is successful for a particular Hedged Class the performance of the Hedged Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

**SUBSCRIPTIONS**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 11.45 a.m. (Irish time) on the relevant Dealing Day. The originals of the signed Application Form (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order, without a requirement to submit original documentation where applications are made by facsimile or telephone order, and such applications should contain such information as may be specified from time to time by the Directors or their delegate.
All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to promptly provide the original Application Form within a reasonable timeframe may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) Dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) Adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).
Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price will be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

**Subscription Monies**

**Method of Payment**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

**Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund. However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

**REDEMPTIONS**

**Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on + 353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.
Redemption requests in respect of the Fund must be received by the Administrator by 11.45 a.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting there from such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) Dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) Adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) Fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and
(b) Redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

**Timing of Payment**

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

**Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.
SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class (es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

$$A = \frac{B \times C \times D}{E}$$

Where

A = number of Shares of the New Class to be allocated
B = number of Shares of the Original Class to be converted
C = redemption price per Share on the relevant Dealing Day for the Original Class
D = the currency conversion factor determined by the Administrator
E = subscription price per Share on the relevant Dealing Day for the New Class

FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

Investment Management Fees

Class R Shares
The investment management fee payable in respect of all Class R Shares will be accrued daily and will be payable monthly in arrears at a rate equivalent to 1.5% per annum of the Net Asset Value of the Class R Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Class I Shares**

The investment management fee payable in respect of all Class I Shares will be accrued daily and will be payable monthly in arrears at a rate equivalent to 1% per annum of the Net Asset Value of the Class I Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fees**

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee in respect of each Class of shares in the Fund. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable. The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Class R Euro Shares, Class R US Dollar Shares and Class R GBP Shares**

The initial issue price of Euro10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R Euro Shares, Class R US Dollar Shares and Class R GBP Shares shall be equal in aggregate to 20 per cent of the amount by which the increase in the Net Asset Value per Class R Euro Share exceeds the hurdle rate which will be 3-month EUR LIBOR multiplied by the weighted average number of total Class R Euro Shares, Class R US Dollar Shares and Class R GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R Euro Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the increase in the Net Asset Value per Class R Euro Share exceeds the 3-month EUR LIBOR rate over a period. If, during a performance fee period, the performance of the Class R Euro Shares does not exceed the 3 month EUR LIBOR rate, no performance fee is payable for that period or future periods until any underperformance of the hurdle is reclaimed.
All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class R Euro Share at the relevant Payment Date after deduction of the performance fee shall not be less than the Net Asset Value per Class R Euro Share Class on the last day that a performance fee was paid.

The performance fee is only payable on the increase over the 3-month EUR LIBOR rate.

**Class I Euro Shares, Class I US Dollar Shares and Class I GBP Shares**

The initial issue price of Euro10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I Euro Shares, Class I US Dollar Shares and Class I GBP Shares shall be equal in aggregate to 20 per cent of the amount by which the increase in the Net Asset Value per Class I Euro Share exceeds the hurdle rate which will be 3-month EUR LIBOR multiplied by the weighted average number of total Class I Euro Shares, Class I US Dollar Shares and Class I GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I Euro Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the increase in the Net Asset Value per Class I Euro Share exceeds the 3-month EUR LIBOR rate over a period. If, during a performance fee period, the performance of the Class R Euro Shares does not exceed the 3 month EUR LIBOR rate, no performance fee is payable for that period or future periods until any underperformance of the hurdle is reclaimed.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class I Euro Share at the relevant Payment Date after deduction of the performance fee shall not be less than the Net Asset Value per Class I Euro Share Class on the last day that a performance fee was paid.

The performance fee is only payable on the increase over the 3-month EUR LIBOR rate.

**Class R Hedged US Dollar Shares**

The initial issue price of US Dollar 10 in respect of the Class R Hedged US Dollar Shares shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period for the Class R Hedged US Dollar Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.
The performance fee for the Class R Hedged US Dollar Shares shall be equal in aggregate to 20 per cent of the amount by which the increase in the Net Asset Value per Class R Hedged US Dollar Shares exceeds the hurdle rate which will be 3-month USD LIBOR multiplied by the weighted average number of total Class R Hedged US Dollar Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R Hedged US Dollar Shares shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the increase in the Net Asset Value per Class R Hedged US Dollar Share exceeds the 3-month USD LIBOR rate over a period. If, during a performance fee period, the performance of the Class R Hedged US Dollar Share does not exceed the 3 month USD LIBOR rate, no performance fee is payable for that period or future periods until any underperformance of the hurdle is reclaimed.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class R Hedged US Dollar Shares at the relevant Payment Date after deduction of the performance fee shall not be less than the Net Asset Value per Class R Hedged US Dollar shares on the last day that a performance fee was paid.

**Class R Hedged GBP Shares**

The initial issue price of 10 GBP in respect of the Class R Hedged GBP Shares shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period for the Class R Hedged GBP Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R Hedged GBP Shares shall be equal in aggregate to 20 per cent of the amount by which the increase in the Net Asset Value per Class R Hedged GBP Shares exceeds the hurdle rate which will be 3-month GBP LIBOR multiplied by the weighted average number of total Class R Hedged GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R Hedged GBP Shares shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the increase in the Net Asset Value per Class R Hedged GBP Share exceeds the 3-month GBP LIBOR rate over a period. If, during a performance fee period, the performance of the Class R Hedged GBP Share does not exceed the 3 month GBP LIBOR rate, no performance fee is payable for that period or future periods until any underperformance of the hurdle is reclaimed.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class R Hedged GBP shares at the relevant Payment Date after deduction of the
performance fee shall not be less than the Net Asset Value per Class R Hedged GBP shares on the last day that a performance fee was paid.

**Class I Hedged US Dollar Shares**

The initial issue price of US Dollar 10 in respect of the Class I Hedged US Dollar Shares shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period for the Class I Hedged US Dollar Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I Hedged US Dollar Shares shall be equal in aggregate to 20 per cent of the amount by which the increase in the Net Asset Value per Class I Hedged US Dollar Shares exceeds the hurdle rate which will be 3-month USD LIBOR multiplied by the weighted average number of total Class I Hedged US Dollar Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I Hedged US Dollar Shares shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the increase in the Net Asset Value per Class I Hedged US Dollar Share exceeds the 3-month USD LIBOR rate over a period. If, during a performance fee period, the performance of the Class I Hedged US Dollar Share does not exceed the 3 month USD LIBOR rate, no performance fee is payable for that period or future periods until any underperformance of the hurdle is reclaimed.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class I Hedged USD shares at the relevant Payment Date after deduction of the performance fee shall not be less than the Net Asset Value per Class I Hedged USD shares on the last day that a performance fee was paid.

**Class I Hedged GBP Shares**

The initial issue price of 10 GBP in respect of the Class I Hedged GBP Shares shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period for the Class I Hedged GBP Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I Hedged GBP Shares shall be equal in aggregate to 20 per cent of the amount by which the increase in the Net Asset Value per Class I Hedged GBP Shares exceeds the hurdle rate which will be 3-month GBP LIBOR multiplied by the weighted average number of total Class I Hedged GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.
For the purposes of the performance fee calculation, the Net Asset Value per Class I Hedged GBP Shares shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the increase in the Net Asset Value per Class I Hedged GBP Share exceeds the 3-month GBP LIBOR rate over a period. If, during a performance fee period, the performance of the Class I Hedged GBP Share does not exceed the 3 month GBP LIBOR rate, no performance fee is payable for that period or future periods until any underperformance of the hurdle is reclaimed.

All performance fee payments shall be subject to the restriction that in paying a performance fee, the Net Asset Value per Class I Hedged GBP shares at the relevant Payment Date after deduction of the performance fee shall not be less than the Net Asset Value per Class I Hedged GBP shares on the last day that a performance fee was paid.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Establishment Expenses

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. The establishment expenses are expected to amount to approximately €25,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.
In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Company and each of its Funds with the objective of enabling it to accurately measure, monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

JAPAN ALPHA FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and Tokyo and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Index”, the TOPIX Total Return Index (TPXDDVD) which represents the total return (i.e. all cash distributions reinvested) of the TOPIX Index, a capitalisation weighted index of all the companies listed on the First Section of the Tokyo Stock Exchange. The index is supplemented by the sub-indices of the 33 industry sectors. The index calculation excludes temporary issues and preferred stocks.


“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Japan Alpha Fund being the Class R US Dollar Share Class, the Class R Sterling Share Class, the Class R Japanese Yen Share Class, the Class R Euro Share Class, the Class I US Dollar Share Class, the Class I Sterling Share Class, the Class I Japanese Yen Share Class, the Class I Euro Share Class, the Class R Hedged US Dollar Share Class, the Class R Hedged Sterling Share Class, the Class R Hedged Euro Share Class, the Class I Hedged US Dollar Share Class, the Class I Hedged Sterling Share Class, the Class I Hedged Euro Share Class and the Class C Hedged Sterling Share Class.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Financial Opportunities Fund, the Global Insurance Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is Japanese Yen.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement) and who believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve long term capital appreciation.
INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing primarily in equity securities of issuers that exercise a significant part of their economic activities in Japan or are organised under the laws of Japan.

The Fund intends to invest up to 100% of its assets in securities listed on the Tokyo and regional Japanese exchanges that are Regulated Markets. Investment will primarily be concentrated in securities listed on the Tokyo Stock Exchange, however, the Fund may also, to a limited extent, invest in securities listed on regional Japanese exchanges.

Subject to the investment restrictions described in Appendix II of the Prospectus, investments will be made in transferable securities including but not limited to shares, equity warrants, equity options and preferred shares which may be listed on a Regulated Market or unlisted (subject to a 10% limit in unlisted securities) and issued by companies and governments.

The Fund will seek to outperform the Index whilst striving to limit the volatility of the Fund's returns.

The Investment Manager will apply an investment approach which will be research driven, employing a multi-factor methodology. The Investment Manager will first analyse strategic macro trends, both in a domestic and a global context, to establish broad sectoral consequences. A stock picking approach will then be applied to individual companies, with specific emphasis on both “value” and “growth” characteristics and on comparative opportunities. This multidimensional investment approach allows the Investment Manager to be flexible and continuously responsive to prevailing market conditions, with the overall aim of achieving long-term capital appreciation.

The portfolio will be made up of large and medium capitalisation issues with the Investment Manager placing great emphasis on visibility and reliability of company data.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options) contracts for difference and swaps, for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk or to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objective and policies above, and as further detailed below. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

Futures, forwards, options, contracts for difference and swaps may be used to hedge against downward movements in the value of the Fund’s portfolio, either by reference to specific securities (i.e. equity securities) or markets to which the Fund may be exposed. These derivative instruments may also be used to gain or reduce the Fund’s exposure to equity securities or markets on a short or medium term basis where it is more efficient to use
derivatives for this purpose, or to gain indirect exposure to equity securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund.

BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual managers at Polar Capital LLP with prime responsibility for the Fund will be Gerard Cawley and James Salter.

Gerard Cawley

The individual manager at Polar Capital LLP with prime responsibility for the Fund is Gerard Cawley. Gerard gained five years experience in Japanese equities as an Assistant Fund Manager at Schroder Investment Management prior to joining Polar Capital LLP in 2005. Gerard graduated from Dublin City University Business School and is a CFA charterholder.

James Salter

James is co-manager of the Fund. Prior to becoming Director of Japanese Equities at Polar Capital, James Salter was a Director of Bonfield Asset Management Limited (“Bonfield”), which he joined in 1999 after being a senior fund manager at Schroder Investment Management where he was responsible for the Schroder Japan Growth Fund PLC. From 1992 to 1996 he was a Director at Martin Currie Investment Management, jointly managing the Martin Currie Japan Unit Trust. From 1989 to 1992 he was an assistant fund manager on the Japanese desk at Foreign & Colonial.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.
VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in JPY. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator on that day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend, payable out of net income (including interest and dividends) in respect of each of the Fund's Share Classes, provided there is sufficient income available to declare an annual dividend. Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period.

Income Equalisation

The Fund operates equalisation in relation to all Share Classes. A Shareholder who has purchased Shares during an accounting period will receive a distribution made up of two amounts:

• income which has accrued from the date of purchase, and
• capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Shares in the relevant accounting period. All Shares purchased during an accounting period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Share Class and is refunded to them as part of the first distribution after their purchase of Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Share Classes who redeem their Shares will receive an amount which will include the income accrued to the date of
redemption and which may be treated as income for tax purposes, subject to the tax rules in
the country where a Shareholder pays tax.

Shareholders may elect in their application for Shares either to receive dividends in cash or to
reinvest the dividend amount in further Shares. In the absence of the Shareholder making the
election as above, the Fund shall reinvest the dividend payment in Shares, until otherwise
directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be
paid by electronic transfer at the Shareholder's risk and expense.

Any distribution for dividend entitlements of less than JPY10,000 (or its foreign currency
equivalent) in value will automatically be reinvested in the subscription of further Distribution
Shares, unless a Shareholder otherwise elects to receive cash.

Any dividend paid on a Share that is not being claimed will not earn interest and, if not
claimed within six years of its declaration, shall be forfeited and shall be returned to the
account of, and for the benefit of the Fund.

**UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in
arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately
represent such an "offshore fund". In order to protect the position of Shareholders within the
scope of UK taxation, the Directors intend that the Company will elect for each Share Class to
be treated as a "reporting fund" under those provisions for each of the Fund's accounting
periods. On the assumption that the UK tax authorities accept that election, the treatment of
each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder
within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal
of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital
gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's
distributing any particular part of its income to Shareholders (as was the case under the
provisions, commonly known as the "distributor status" rules, in force prior to the
commencement of the "reporting funds" regime). Instead, a Shareholder who is within the
scope of UK income taxation will generally be liable, subject to the Shareholder's individual
circumstances, to UK income tax or corporation tax on the excess (if any) of the
Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over
the amount of any dividend payment made to the Shareholder by the Fund in respect of that
accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the
Fund's accounts for an accounting period, subject to the addition of certain sums to the
Fund's accounts income in specified circumstances (such as where the Fund invests in other
entities which constitute "offshore funds" for UK tax purposes). As explained above under
"Dividend Policy", the directors intend that the Fund should make an annual dividend payment
to Shareholders out of the investment income earned by the Fund each year.
HEDGED CLASSES

The Fund will enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular Class into the currency of denomination of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets or liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains or losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. A Class will not be leveraged as a result of currency hedging transactions.

Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions materially in excess of 100% of Net Asset Value will not be carried forward. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line (subject to interest rate differentials and associated dealing costs) with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

MINIMUM SUBSCRIPTION AND MINIMUM HOLDING


There are no applicable Minimum Subscription or Minimum Holding requirements.


The Minimum Subscription and Minimum Holding requirement is JPY 100 Million (or its currency equivalent). Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

The Directors may, in their sole discretion, waive or reduce, in whole or in part, the Minimum Subscription and Minimum Holding requirement.
OFFERING OF CLASS C SHARES

Class C Shares are only available for subscription by Battle Against Cancer Investment Trust Limited.

SUBSCRIPTIONS

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Business Day immediately preceding the Dealing Day. The originals of the signed Application Form (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order, without a requirement to submit original documentation where applications are made by facsimile or telephone order, and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to promptly provide the original Application Form within a reasonable timeframe may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of
the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company's register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of
intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

Subscription Monies

Method of Payment

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on + 353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption
price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and
(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

**Timing of Payment**

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

**Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.
SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- \( A \) = number of Shares of the New Class to be allocated
- \( B \) = number of Shares of the Original Class to be converted
- \( C \) = redemption price per Share on the relevant Dealing Day for the Original Class
- \( D \) = the currency conversion factor determined by the Administrator
- \( E \) = subscription price per Share on the relevant Dealing Day for the New Class

FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Subscription Fee

A subscription fee of up to 5% may be charged at the Directors’ discretion. In the event a subscription fee is charged, an investment in the Fund should be viewed as medium to long-term.

Investment Management Fees
Class R US Dollar, Class R Sterling, Class R Japanese Yen and Class R Euro Share Classes.

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.35% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable. The initial issue price of JPY 100, or its foreign currency equivalent shall be taken as the starting price for the calculation of the first performance fee payable.

The performance fee for the Class R US Dollar, Class R Sterling, Class R Japanese Yen and Class R Euro Share Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average number of total US Dollar, Sterling, Japanese Yen and Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I US Dollar, Class I Sterling, Class I Japanese Yen and Class I Euro Share Classes.
The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable. The initial issue price of JPY 100, or its foreign currency equivalent shall be taken as the starting price for the calculation of the first performance fee payable.

The performance fee for Class I US Dollar, Class I Sterling, Class I Japanese Yen and Class I Euro Shares Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average number of total US Dollar, Sterling, Japanese Yen and Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

*Class R Hedged US Dollar, Class R Hedged Sterling and Class R Hedged Euro Share Classes*

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.35% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).
An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable. The initial issue price of JPY 100, or its foreign currency equivalent shall be taken as the starting price for the calculation of the first performance fee payable.

The performance fee for Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares exceeds the Indexed Net Asset Value for the Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares as at the Payment Date multiplied by the weighted average number of Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares and Class R Hedged Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Shares is calculated by adjusting the Net Asset Value for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Shares as at the date on which the last performance fee was paid for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Shares by the comparative performance of the Index since the date on which the last performance fee was paid for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share and Class R Hedged Euro Share or the date of issue of the relevant Shares, whichever is later.

The index performance for the relevant period is adjusted to reflect a hedge into US dollars Sterling and Euros, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result,
Performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share Class and Class I Hedged Euro Share Classes.**

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable. The initial issue price of JPY 100, or its foreign currency equivalent shall be taken as the starting price for the calculation of the first performance fee payable.

The performance fee for Class I Hedged US Dollar, Class I Hedged Sterling Share and Class I Hedged Euro Share Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class I Hedged US Dollar Shares, the Class I Hedged Sterling Shares and Class I Hedged Euro Shares exceeds the Indexed Net Asset Value for each Class I Hedged US Dollar Share, the Class I Hedged Sterling Share and Class I Hedged Euro Shares as at the Payment Date multiplied by the weighted average number of Class I Hedged US Dollar Shares and the Class I Hedged Sterling Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each the Class I Hedged US Dollar Share, Class I Hedged Sterling Share and Class I Hedged Euro Shares is calculated by adjusting the Net Asset Value for each Class I Hedged US Dollar Share, the Class I Hedged Sterling Share and Class I Hedged Euro Shares as at the date on which the last performance fee was paid for each Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share and Class I Hedged Euro Shares Class by the comparative performance of the Index since the date on which the last performance fee was paid for each Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share Class and Class I Hedged Euro Shares or the date of issue of the relevant Shares, whichever is the later.

The index performance for the relevant period is adjusted to reflect a hedge into US dollars, Sterling and Euros, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.
The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

Class C Shares

There is no investment management fee or performance fee payable in respect of Class C Shares.

Establishment Expenses

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. The establishment expenses are expected to amount to approximately €25,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

Performance Fee Risk

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be
the case in the absence of a fee based on the performance of the Company. However, the
Investment Manager when managing the investments of the Company will have a degree of
identity of economic interest with Shareholders.

Currency Hedging

Currency hedging, which may be undertaken using derivatives, may protect the Fund from
adverse currency movements, but may also release or eliminate the benefit of favourable
currency movements. These can also be no guarantee that a decision to hedge any currency
exposure will be effective or that the Investment Manager will exercise its discretion to hedge
any particular currency exposure. In addition, it may be difficult to effectively hedge
exposures in certain currencies either at a reasonable cost or on a practical basis.

Risk Management

In accordance with the requirements of the Central Bank, the Investment Manager operates a
risk management process on behalf of the Company and each of its Funds with the objective
of enabling it to accurately measure, monitor and manage the various risks associated with
financial derivative instruments. The Company will provide information to Shareholders on
request on the risk management process employed by the Investment Manager on the
Company's behalf, including details of the quantitative limits applied and information on the
risk and yield characteristics of the main categories of investment held on behalf of the Fund.
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

GLOBAL ALPHA FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 22nd JANUARY, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and New York and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least one Dealing Day per fortnight).

“Index”, The MSCI All-Country World Index, is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. It measure the price performance of markets with the income from constituent dividend payments. The dividends are reinvested after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.


“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Global Alpha Fund being the Class R US Dollar Shares, Class R Euro Shares, Class R GBP Shares, Class I US Dollar Shares, Class I Euro Shares, Class I GBP Shares, Class SI US Dollar Shares, Class SI Euro Shares, Class SI GBP Shares.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
GLOBAL ALPHA FUND
(the “Fund”)

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund. As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Financial Opportunities Fund, the Global Insurance Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund and the Japan Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is US Dollars.

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

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement) and who believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve long term capital appreciation.
INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in a diversified portfolio of global equities.

The securities in which the Fund will invest will primarily include equity securities including, but not limited to ordinary and preference shares and equity warrants, listed on a Regulated Market.

The Fund will seek to outperform the MSCI All-Country World Index whilst striving to limit the volatility of the Fund’s returns through the business cycle by investing in a diversified portfolio of equity securities of high quality medium and large capitalisation companies. In selecting such companies, the Investment Manager will use both qualitative and quantitative screening methods focusing on quality and value to identify candidates for further in-depth proprietary research. This in-depth research will focus on the long term business fundamentals of the investment candidate as well as further business and stock valuation analysis before a focused portfolio is constructed. The Investment Manager typically expects to invest in a range of 30 to 50 stocks. This allows for both appropriate diversification, therefore mitigating stock specific risk but also allows a high degree of focus, therefore mitigating fundamental risk. Portfolio construction is primarily driven by bottom-up fundamentals though set upon a framework that controls systematic risk.

To the extent that the Fund will invest in the securities of companies listed or traded in emerging markets (to include Russia), such investment is expected to typically be in the region of 10%-40% of the Net Asset Value of the Fund. Whilst the Fund may invest in Russian domestically traded securities, it is not anticipated that such an investment will exceed 15% of the Net Asset Value of the Fund and investment in securities traded on Russian markets will only be made in equity securities which are listed and/or traded on the Russian Trading System ("RTS") and Moscow Interbank Currency Exchange Stock Exchange ("MICEX").

The Fund may invest in Global, American and European depository receipts for the purpose of gaining exposure to underlying equity securities. The Fund may invest in collective investment schemes with similar investment policies to the Fund but will invest no more than 10% of the Fund’s Net Asset Value in aggregate in shares of any open-ended schemes.

The financial derivative instruments which the Fund may utilize include futures, forwards, contracts for difference and swaps (details of which are set out in the Prospectus under the section headed “Financial Derivative Instruments and Techniques for Efficient Portfolio Management), for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk or to obtain in a more efficient way exposure to equity securities that would otherwise be obtained by direct investment in equity securities in accordance with the investment objective and policies above over a short and medium term basis. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.
Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

The Fund may engage in stock-lending and enter into repurchase and reverse repurchase agreements only for the purpose of efficient portfolio management, subject to the conditions and limits set out in the Central Bank’s UCITS Notices.

BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company. The individual managers at Polar Capital LLP with prime responsibility for the Fund will be Andrew Holliman and Andrew MacKirdy and Christophe Williams.

Andrew Holliman

Andrew helped establish the Global Alpha Fund after joining Polar Capital in August 2011 and soon after launching the North American Fund. Prior to joining Polar Capital, he spent seven years at Threadneedle where he successfully managed a number of global funds including the Threadneedle Global Focus Fund and the Threadneedle and Columbia Global Extended Alpha Funds as well as managing the highly rated $2.5bn Threadneedle American fund. His career began in 1997 at Baillie Gifford where he worked as an investment analyst on the American and UK smaller caps teams before becoming fund manager of the award winning American fund. Andrew graduated with a first class BCom (Hons) in Business Studies from the University of Edinburgh in 1997 and holds a MSc in Investment Analysis from the University of Stirling. He is also a CFA charterholder.

Andrew MacKirdy

Andrew joined Polar Capital in June 2012 to establish a long-only global equity fund along with Andrew Holliman and Christophe Liégeois-Williams. Andrew began his career at Baillie
Gifford in 1995 where he worked on the Japanese, Emerging Markets, European and US desks. During this time he managed emerging market and EAFE portfolios on behalf of institutional pension funds. After 10 years, he moved to Templeton where he managed the Templeton Global Fund and various institutional global mandates. In 2008, he returned to Baillie Gifford before spending 3 years in the European/Global strategy at Lansdowne Partners. Andrew holds a first class BAcc (Hons) degree in accountancy from the University of Dundee and an MSc (Econ) in accounting & finance from the London School of Economics and Political Science.

Christophe Liégeois-Williams

Christophe joined Polar Capital in June 2012 to establish a long-only global equity fund along with Andrew Holliman and Andrew MacKirdy. Prior to joining Polar Capital, he spent 7 years managing the global equity portfolio of Liberties Investments, a substantial Family Office for several ultra-high net worth individuals. He began his career in 1997 at Baillie Gifford working as an Investment Analyst in the European and UK teams, before stints with TAL Asset Management and Hermes Focus Funds as Senior Investment Analyst. Christophe graduated with a French & Business degree from QMW College, University of London, an Economics degree from Grenoble University, and an MSc in Investment Analysis from the University of Stirling. He is also a CFA charterholder.

Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company’s assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes as at the Valuation Point will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in USD. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator on that day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases as further detailed in the Articles and the Prospectus) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.
DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend, payable out of net income (including interest and dividends) in respect of each of the Fund’s Share Classes, provided there is sufficient income available to declare an annual dividend. Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period.

Income Equalisation

The Fund operates equalisation in relation to all Share Classes. A Shareholder who has purchased Shares during an accounting period will receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Shares in the relevant accounting period. All Shares purchased during an accounting period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Share Class and is refunded to them as part of the first distribution after their purchase of Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Share Classes who redeem their Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder’s risk and expense.

Any distribution for dividend entitlements of less than US$100 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Distribution Shares, unless a Shareholder otherwise elects to receive cash.
Any dividend paid on a Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

**UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

**MINIMUM SUBSCRIPTION AND MINIMUM HOLDING**

*Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares*

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares.

*Class I US Dollar Shares, Class I Euro Shares, Class I GBP Shares*

The Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares, are each subject to a minimum subscription and minimum holding requirement of US$1 million (or its foreign
currency equivalent). Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

The aggregate of an investor's investments in any Class I Shares, Class R Shares and Class SI Shares or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class I Shares may be waived or reduced at the sole discretion of the Directors.

**Class SI US Dollar Shares, Class SI Euro Shares and Class SI GBP Shares**

The Class SI US Dollar Shares, Class SI Euro Shares and Class SI GBP Shares are each subject to a minimum subscription and minimum holding requirement of US $50 million (or its foreign currency equivalent). Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

The aggregate of an investor’s investments in any Class R Shares, Class I Shares, Class SI Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class SI Shares may be waived or reduced at the sole discretion of the Directors.

**SUBSCRIPTIONS**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at www.polarcapital.co.uk.

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the relevant Dealing Day. The originals of the signed Application Form (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as
possible after the time for receipt of such application. If the application is received after the
designated time it will be held over until the following Dealing Day and Shares will then be
issued at the subscription price in respect of that Dealing Day. Subscription monies must be
received no later than 5.00pm (Dublin time) three Business Days following the relevant
Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to
the Administrator (subject to an investor having received a copy of the relevant Key Investor
Information Document in paper or electronic form) by mail, facsimile or telephone order,
without a requirement to submit original documentation where applications are made by
facsimile or telephone order, and such applications should contain such information as may
be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the
subscription price (as determined below) for Shares as at the Valuation Point on the relevant
Dealing Day.

Failure to promptly provide the original Application Form within a reasonable timeframe may,
at the discretion of the Directors, result in the compulsory redemption of the relevant Shares.
However, applicants will be unable to redeem Shares on request until the original Application
Form and all documentation required by the Administrator (including any documents in
connection with anti-money laundering procedures) has been received by the Administrator
from an investor and the anti-money laundering procedures have been completed. Any
withheld redemption proceeds will be held in a non-interest bearing account until receipt of
the original Application Form and all documentation required by the Administrator (including
any documents in connection with anti-money laundering procedures). In addition, failure to
promptly provide required anti-money laundering documentation within a reasonable
timeframe following an initial subscription may result in subsequent subscriptions being
refused.

Amendments to a Shareholder’s registration details and payment instructions will only be
made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated
in respect of the relevant Valuation Point on the relevant Dealing Day and adding
there to such sum as the Directors may consider represents an appropriate figure for
Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant
class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to
the nearest two decimal places.
All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

**Subscription Monies**

**Method of Payment**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

**Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.
However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

**REDEMPTIONS**

**Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on +353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor’s holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:
(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

Fractions

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

Method of Payment

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

Currency of Payment

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.
Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

A = number of Shares of the New Class to be allocated
B = number of Shares of the Original Class to be converted
C = redemption price per Share on the relevant Dealing Day for the Original Class  
D = the currency conversion factor determined by the Administrator  
E = subscription price per Share on the relevant Dealing Day for the New Class

**FEES AND EXPENSES**

**General**

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

**Subscription Fee**

A subscription fee of up to 5% may be charged at the Directors’ discretion.

**Investment Management Fees**

*Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares*

The investment management fee payable in respect of the Class R US Dollar, Class R Euro Shares and Class R GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.35% per annum of the Net Asset Value of the Class R US Dollar, Class R Euro Shares and Class R GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

*Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of $10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class R US Dollar Share exceeds the Indexed Net Asset Value per Class R US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Shares, Class R Euro Shares and Class R GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.
The Indexed Net Asset Value per Class R US Dollar Share is calculated by multiplying the Net Asset Value per Class R US Dollar Share as at the date on which the last performance fee was paid by proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R US Dollar Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class R US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance of the Index is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares,**

The investment management fee payable in respect of the Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

**Performance Fee**

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of $10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value
per Class I US Dollar Share exceeds the Indexed Net Asset Value per Class I US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Shares, Class I Euro Shares and Class I GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class I US Dollar Share is calculated by multiplying the Net Asset Value per Class I US Dollar Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class I US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class I US Dollar Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class SI US Dollar Shares, Class SI Euro Shares and Class SI GBP Shares.

The investment management fee payable in respect of the Class SI US Dollar Shares, Class SI Euro Shares and Class SI GBP Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.60% per annum of the Net Asset Value of the Class SI US Dollar Shares, Class SI Euro Shares and Class SI GBP Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

Performance Fee

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The initial issue price of $10 shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on
the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class SI US Dollar Shares, Class SI Euro Shares and Class SI GBP Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per Class SI US Dollar Share exceeds the Indexed Net Asset Value per Class SI US Dollar Share as at the Payment Date multiplied by the weighted average number of total Class SI US Dollar Shares, Class SI Euro Shares and Class SI GBP Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class SI US Dollar Share is calculated by multiplying the Net Asset Value per Class SI US Dollar Share as at the date on which the last performance fee was paid by the proportionate change in the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class SI US Dollar Share shall be calculated before the deduction of any unrealised performance fee and will have any distributions added back into the Net Asset Value.

The performance fee is only payable when the Class SI US Dollar Shares outperform the Index. If, during a performance fee period, the performance of the Class SI US Dollar Shares do not exceed the performance of the Index, no performance fee is payable until any underperformance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Establishment Expenses

All fees and expenses relating to the establishment of the Fund (including listing costs) and the fees of advisers to the Company, whom are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. The establishment expenses are expected to amount to approximately €25,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy.
Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

Performance Fee Risk

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

Risk Management

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Company and each of its Funds with the objective of enabling it to accurately measure, monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.

EMERGING MARKETS RISK

Economic & Political Factors: Investments in securities of issuers located in emerging market countries involve special considerations and risks, including the risks associated with high rates of inflation, the limited liquidity and relatively small market capitalisation of the securities markets in emerging market countries, relatively higher price volatility and large amounts of external debt and political, economic and social uncertainties, including the possible imposition of exchange controls or other foreign governmental laws or restrictions which may affect investment opportunities. In addition, with respect to certain emerging market countries there is the possibility of political or social instability or diplomatic developments that could affect investments in those countries. Moreover, individual emerging market country economies may differ favourably or unfavourably from the economies of developed nations in such respects as growth of gross national product, rates of inflation, capital investments resources and self sufficiency and the balance of payments position.

The economies of some emerging market countries have experienced considerable difficulties in the past. Although in certain cases there have been significant improvements in
recent years, many such economies continue to experience significant problems, including high inflation and interest rates. Inflation and rapid fluctuations in interest rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging market countries. The development of certain emerging market economies and securities markets will require continued economic and fiscal discipline, which has been lacking at times in the past, as well as stable political and social conditions. Recovery may also be influenced by international economic conditions, particularly those in the U.S. and by world prices for oil and other commodities. There is no assurance that economic initiatives will be successful. Certain of the risks associated with international investments and investing in smaller capital markets are heightened for investments in emerging market countries.

**Market Liquidity & Volatility:** The securities markets in emerging market countries are substantially smaller, less liquid and more volatile than the major securities markets in the United States and Europe. A limited number of issuers in most, if not all, securities markets in emerging market countries may represent a disproportionately large percentage of market capitalisation and trading volume. Such markets may in certain cases, be characterised by relatively few market makers, participants in the market being mostly institutional investors including insurance companies, banks, other financial institutions and investment companies. The listed equity securities of many companies in many emerging markets are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of many emerging markets and of quoted companies is also less developed than in many OECD countries. In addition, there may be a high measure of legal uncertainty concerning the rights and duties of market participants as compared to investments made through securities systems of established markets. The combination of price volatility and the less liquid nature of securities markets in emerging market countries may, in certain cases, affect a Fund’s ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

**Information Standards:** In addition to their smaller size, lesser liquidity and greater volatility, securities markets in emerging markets are less developed than the securities markets in the U.S. and Europe with respect to disclosure, reporting and regulatory standards are less publicly available information about the issuers of securities in these markets than is regularly published by issuers in the United States and Europe. Further, corporate laws regarding fiduciary responsibility and protection of stockholders may be considerably less developed than those in the United States and Europe. Issuers in emerging market countries may not be subject to the same accounting, auditing and financial reporting standards.

**Custody Risk:** In a limited number of markets, particularly in emerging economies, where a no failed trade policy is standard market practice, assets may be assigned, transferred, exchanged or delivered without the prior approval of the Custodian or its agent. Once a sale order is placed in relation to assets of the Fund, by virtue of the operation of the settlement system within those markets, those assets will automatically move from custody of the Custodian without the need for the prior approval of the Custodian. Where this occurs the consideration for those assets is remitted to the entity releasing the assets.
**Currency Risk:** the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

**Investment in Russia:** Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder’s name on the share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders.
The Directors of Polar Capital Funds public limited company (the “Company”), whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd January, 2013 (the “Prospectus”) accept responsibility for the information contained in the Prospectus and in 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

JAPAN FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 21ST MARCH, 2013
DEFINITIONS

“Business Day”, a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin, London and Tokyo and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).

“Dealing Day”, each Business Day (provided always there shall be at least two Dealing Days in each calendar month).

“Index”, the TOPIX Total Return Index (TPXDDVI) which represents the total return (i.e. all cash distributions reinvested) of the TOPIX Index, a capitalisation weighted index of all the companies listed on the First Section of the Tokyo Stock Exchange. The index is supplemented by the sub-indices of the 33 industry sectors. The index calculation excludes temporary issues and preferred stocks.

“Share Class” or “Share Classes”, such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Japan Fund being the US Dollar Share Class, the Sterling Share Class, the Japanese Yen Share Class, the Class R US Dollar Share Class, the Class R Sterling Share Class, the Class R Japanese Yen Share Class, the Class R Euro Share Class, the Class I US Dollar Share Class, the Class I Sterling Share Class, the Class I Japanese Yen Share Class, the Class I Euro Share Class, the Class I Hedged US Dollar Share Class, the Class R Hedged Sterling Share Class, the Class R Hedged Euro Share Class, the Class I Hedged US Dollar Share Class, the Class I Hedged Sterling Share Class, the Class I Hedged Euro Share Class, the Class R Hedged CHF Share Class and the Class I Hedged CHF Share Class.

“Valuation Point”, the close of business in the relevant markets on the Dealing Day.
JAPAN FUND  
(the “Fund”)  

INTRODUCTION

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different sub-funds, each fund represents a single portfolio of assets, with segregated liability between sub-funds. Each sub-fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a sub-fund. As at the date of this Supplement the other existing sub-funds of the Company are: the Global Technology Fund, the Healthcare Opportunities Fund, the UK Absolute Return Fund, the Emerging Markets Growth Fund, the Emerging Markets Income Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Financials Fund, the Financials Income Fund, the European Market Neutral Fund, the Japan Alpha Fund and the Global Alpha Fund.

This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.

It is not the current intention to accept subscriptions, other than from existing investors, in respect of the US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any application for US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class.

The Share Classes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes have also been admitted to the Channel Islands Stock Exchange as a secondary listing.

Application has been made to the Irish Stock Exchange for the Class R Hedged CHF Share Class and the Class I Hedged CHF Share Class (collectively the “CHF Share Classes”) to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Share Classes are expected to be admitted to the Official List and trading on the Main Securities Market of The Irish Stock Exchange on or about 28th March, 2013. The Directors do not anticipate that an active secondary market will develop in the CHF Share Classes. Application has also been made for the listing of the CHF Share Classes on the Channel Islands Stock Exchange.

The Fund does not have as at the date of this Supplement any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank
overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is Japanese Yen.

Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate a medium level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable based upon investment objectives and financial needs. An investment in the Fund should be viewed as medium to long-term.

INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to achieve long term capital growth by investing primarily (meaning not less than two thirds of the Fund’s total assets) in securities of issuers that exercise a preponderant part of their economic activities in Japan or are organised under the laws of Japan. The Fund intends to invest up to 100% of its assets in securities listed on the Tokyo and regional Japanese exchanges that are Regulated Markets. Subject to the investment restrictions described in Appendix II of the Prospectus, investments will be made in transferable securities including but not limited to shares, equity warrants and other types of securities such as preferred shares, securities convertible into shares which may be listed on a Regulated Market or unlisted and issued by companies and governments. The Fund will seek to outperform the Index whilst striving to limit the volatility of the Funds returns. The Investment Manager will apply an investment approach which will be research driven, employing a multi-factor methodology. The Investment Manager will first analyse strategic macro trends, both in a domestic and a global context, to establish broad sectoral consequences. Then a stock picking approach will be applied to individual companies, with specific emphasis on both “value” and “growth” characteristics and on comparative opportunities. This multi-dimensional approach is flexible and continuously responsive, with the overall aim of minimising the potential for permanent capital loss.

Whilst large companies will dominate stock selection, medium and small capitalisation issues will also be utilised where opportunities arise. The Investment Manager will place great emphasis on visibility and reliability of company data.

As set out under “Financial Derivative Instruments and Techniques for Efficient Portfolio Management” in the Investment Objectives and Policies section of the Prospectus, for the purposes of maximising portfolio returns, the Fund may also, within the limits set forth in the investment restrictions described in Appendix II engage in a policy of currency hedging and
make use of derivatives for efficient portfolio management when it is thought to be appropriate.

Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following purposes: (a) a reduction of risk; (b) a reduction of cost with no increase or a minimal increase in risk; (c) generation of low level risk (relative to the expected return); (d) reduction of market exposure and (e) to protect Shareholder value when the Investment Manager feels it appropriate to do so.

INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Notices of the Central Bank. These are set out in detail in Appendix II of the Prospectus. The Fund will not invest (i) greater than 5% of its Net Asset Value in equity warrants or (ii) greater than 15% of its Net Asset Value in securities listed or traded on emerging markets. The Fund will not invest more than 10% of its Net Asset Value in other open-ended collective investment schemes.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

Investment Manager

Polar Capital LLP, the promoter of the Company, has been appointed as Investment Manager (the “Investment Manager”) to the Company.

James Salter

The individual manager at Polar Capital LLP with prime responsibility for the Fund is James Salter. Prior to becoming Director of Japanese Equities at Polar Capital, James Salter was a Director of Bonfield Asset Management Limited (“Bonfield”), which he joined in 1999 after being a senior fund manager at Schroder Investment Management where he was responsible for the Schroder Japan Growth Fund PLC. From 1992 to 1996 he was a Director at Martin Currie Investment Management, jointly managing the Martin Currie Japan Unit Trust. From 1989 to 1992 he was an assistant fund manager on the Japanese desk at Foreign & Colonial.

Gerard Cawley

Gerard Cawley is co-manager of the Fund, with specific research responsibility for the technology sector, and is based in the London office. Gerard gained five years experience in Japanese equities as an Assistant Fund Manager at Schroder Investment Management prior to joining Polar Capital LLP in 2005. Gerard graduated from Dublin City University Business School and is a CFA charterholder.
Administrator and Custodian

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Custodian of the Company's assets is Northern Trust Fiduciary Services (Ireland) Limited.

VALUATION OF ASSETS

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes will be calculated by the Administrator as at the Valuation Point in accordance with the requirements of the Articles and full details are set out under the heading “Statutory and General Information” in the Prospectus. The Net Asset Value of the Fund will be expressed in Japanese Yen. The Net Asset Value as at the Valuation Point on a Dealing Day will normally be available the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of “Statutory and General”.

DIVIDEND POLICY

The Fund will aim to seek capital growth rather than to produce a significant income return for Shareholders. Nonetheless, in order to assist those Shareholders who wish the income return on their investment to be separately identified from its capital growth, the Directors intend that the Fund should maintain a policy of the declaration of an annual dividend in respect of each of the Fund's Share Classes.

Any dividend declared by the Fund will be paid only out of the Fund's net investment income return for an accounting period (i.e. the dividends, interest or other income earned by the Fund on its investments in that period less the Fund's expenses attributable to that period). Any dividend declared in respect of an accounting period will normally be paid in May of the year following that accounting period. Any dividend paid on a Share that is unclaimed by the relevant Shareholder will not earn interest; and if that dividend is not claimed within six years of its declaration it shall be forfeited and shall be escheated for the benefit of the Fund.

Dividends payable to Shareholders will be reinvested at the time such dividends are paid by subscription for further Shares, unless Shareholders specifically request that dividends be paid in cash. Failure by a Shareholder to provide required documentation in connection with anti-money laundering procedures will result in a Shareholder’s dividend being automatically reinvested.

Any distribution for dividend entitlements of less than JPY10,000 (or its foreign currency equivalent) in value will automatically be reinvested in the subscription of further Shares of the
class to which the income distribution relates for the account of the Shareholder entitled to that income distribution, unless a Shareholder elects to receive dividends in cash.

Distribution entitlements of JPY10,000 or more will, unless instructions to the contrary are received from the Shareholder at least twenty one days before the date on which the dividend is to be paid, be reinvested in the subscription of further Shares of the class to which the income distribution relates for the account of the Shareholder entitled to that income distribution.

Any such reinvestment of a Shareholder’s dividend entitlement will be made, on the relevant dividend payment date, by the Directors acting as nominee and agent for and for the account of the Shareholder concerned in their receipt of the Shareholder’s income and in their payment of such income to the Company in subscription for further Shares. If a Shareholder’s dividends are reinvested, there is no preliminary charge payable on the reinvestment.

A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the election.

**UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under
"Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

HEDGED CLASSES

The Fund will enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular Class into the currency of denomination of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets or liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains or losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. A Class will not be leveraged as a result of currency hedging transactions.

Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions materially in excess of 100% of Net Asset Value will not be carried forward. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line (subject to interest rate differentials and associated dealing costs) with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

INITIAL OFFER PERIOD AND PRICE

The Initial Offer Period for the CHF Share Classes will commence at 9.00 a.m. (Irish time) on 22nd March, 2013 and will close at 5.00 p.m. (Irish time) on 27th March, 2013. The Initial Offer Period may be extended or reduced by the Directors with the consent of the Custodian in accordance with the requirements of the Central Bank.

During the Initial Offer Period, Shares in the Fund are being offered to investors at an initial issue price per Share of CHF 10, or its foreign currency equivalent. Thereafter, Shares will be offered at the Net Asset Value per Share.

SUBSCRIPTIONS

US Dollar Share Class, Sterling Share Class and Japanese Yen Share Class

It is not the current intention to accept subscriptions other than from existing investors in respect of the US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class. However, the Directors retain the absolute discretion to accept in whole or in part any
application for US Dollar Share Class, the Sterling Share Class or the Japanese Yen Share Class.

**Procedure**

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund (“Application Form”). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day (or such later time as the Directors may determine provided that it may be received no later than the time of determination of the Net Asset Value as at the Valuation Point on the Dealing Day). The original of the Application Form (and supporting documentation in relation to money laundering prevention checks) should be promptly sent by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Dublin time) three Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by mail, facsimile or telephone order without a requirement to submit original documentation (where applications are made by facsimile or telephone order) and such applications should contain such information as may be specified from time to time by the Directors or their delegate. Telephone orders may be placed with the administrator on +(353 1) 434 5007.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares calculated as at the Valuation Point on the relevant Dealing Day. Any applications received after that time will be held over until the next Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with
anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures). In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

The subscription price per Share shall be ascertained by:-

(a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company’s register of Shareholders and ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in Japanese Yen or the equivalent thereof) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.
An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription. The Directors currently intend to reject applications if, as a result of accepting them, the Net Asset Value of the Fund would materially exceed JPY 100 billion, although this figure may be updated to reflect changes in the market for Japanese securities.

**Subscription Monies**

**Method of Payment**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

**Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund. However, the Company may accept payment in such other currencies as the Administrator may agree at the prevailing exchange rate quoted by the Company’s bankers. The cost and risk of converting currency will be borne by the applicant.

**Minimum Subscriptions/Holdings**

**US Dollar Shares, Sterling Shares and Japanese Yen Shares.**

There are no applicable Minimum Subscription or Minimum Holding requirements.

**Class R US Dollar Shares, Class R Sterling Shares, Class R Japanese Yen Shares, Class R Euro Shares, Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares, Class R Hedged Euro Shares and Class R Hedged CHF Shares.**

There are no applicable Minimum Subscription or Minimum Holding requirements.
Class I US Dollar Shares, Class I Sterling Shares, Class I Japanese Yen Shares, Class I Euro Shares, Class I Hedged US Dollar Shares, Class I Hedged Sterling Shares, Class I Hedged Euro Shares and Class I Hedged CHF Shares.

The Minimum Subscription and Minimum Holding requirement is JPY 100 Million (or its foreign currency equivalent).

The Directors may, in their sole discretion, waive or reduce, in whole or in part, the Minimum Subscription and Minimum Holding requirement.

REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order to the Administrator. Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George’s Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 670 1185). Telephone orders may be placed with the Administrator on + (353 1) 434 5007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares calculated as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day (or such later time as the Directors may determine provided that it may be received no later than the time of the determination of the Net Asset Value as at the Valuation Point on the Dealing day). If the redemption request is received after the designated time it will normally be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investors holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.
In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

**Redemption Price**

The redemption price per Share shall be ascertained by:

(a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

**Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

(b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

**Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

**Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.
Timing of Payment

Redemption proceeds in respect of Shares will be paid within four Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent of the total number of Shares then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10 per cent of the Shares then in issue) in priority to any other Shares for which redemption requests have been received. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

Shareholders of a Class within the Fund (the “Original Class”) may switch free of any switching charge to another Class(es) within the Fund (the “New Class”) in accordance with the formula and procedures specified below.

Switching may be effected by telephone order to the Administrator or written application to the Administrator on such switching form as may be prescribed by the Directors. Telephone orders may be placed with the Administrator on + (353 1) 434 5007.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit).
The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

\[ A = \frac{B \times C \times D}{E} \]

Where

- \( A \) = number of Shares of the New Class to be allocated
- \( B \) = number of Shares of the Original Class to be converted
- \( C \) = redemption price per Share on the relevant Dealing Day for the Original Class
- \( D \) = the currency conversion factor determined by the Administrator
- \( E \) = subscription price per Share on the relevant Dealing Day for the New Class

**FEES AND EXPENSES**

**General**

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

**Subscription of Shares**

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors’ discretion.

**Investment Management Fees**

The Investment Manager is entitled to receive a management fee and a performance fee together with any extraordinary out of pocket expenses. The Investment Manager shall be responsible for discharging from this fee the fees of the Investment Advisers.

**US Dollar, Sterling and Japanese Yen Share Classes**

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.
Performance Fee

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for the US Dollar, Sterling and Japanese Yen Shares Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average number of total US Dollar, Sterling and Japanese Yen Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid.

For the purposes of the performance fee calculation, the Net Asset Value per JPY Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

All performance fee payments shall be subject to the restriction that in paying a performance fee the amount of performance fee included in the Net Asset Value per JPY Share at the relevant Payment Date shall be the smaller of 10% of the outperformance of the Index or 10% of the appreciation in the Net Asset Value per JPY Share over the relevant Net Asset Value per JPY Share on the last day that a performance fee was paid (the “Net Asset Value High Water Mark”). There will be a carrying forward of any unutilised performance fee.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.

Class R US Dollar, Class R Sterling, Class R Japanese Yen and Class R Euro Share Classes.

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).
An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for the Class R US Dollar, Class R Sterling, Class R Japanese Yen and Class R Euro Share Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average number of total US Dollar, Sterling, Japanese Yen and Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.**

**Class I US Dollar, Class I Sterling, Class I Japanese Yen and Class I Euro Share Classes.**

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.
**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for Class I US Dollar, Class I Sterling, Class I Japanese Yen and Class I Euro Shares Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value per JPY Share exceeds the Indexed Net Asset Value per JPY Share as at the Payment Date multiplied by the weighted average number of total US Dollar, Sterling, Japanese Yen and Euro Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per JPY Share is calculated by adjusting the Net Asset Value per JPY Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

**Class R Hedged US Dollar, Class R Hedged Sterling and Class R Hedged Euro and Class R Hedged CHF Share Classes**

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.5% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and
the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares, Class R Hedged Euro and Class R Hedged CHF Shares shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares, Class R Hedged Euro and Class R Hedged CHF Shares exceeds the Indexed Net Asset Value for the Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares, Class R Hedged Euro and Class R Hedged CHF Shares as at the Payment Date multiplied by the weighted average number of Class R Hedged US Dollar Shares, Class R Hedged Sterling Shares, Class R Hedged Euro and Class R Hedged CHF Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share, Class R Hedged Euro and Class R Hedged CHF Shares is calculated by adjusting the Net Asset Value for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share, Class R Hedged Euro and Class R Hedged CHF Euro Shares as at the date on which the last performance fee was paid for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share, Class R Hedged Euro and Class R Hedged CHF Euro Shares by the comparative performance of the Index since the date on which the last performance fee was paid for each Class R Hedged US Dollar Share, Class R Hedged Sterling Share, Class R Hedged Euro and Class R Hedged CHF Share or the date of issue of the relevant Shares, whichever is later.

The index performance for the relevant period is adjusted to reflect a hedge into US dollars Sterling and Euros, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share Class, Class I Hedged Euro and Class I Hedged CHF Share Classes.

The management fee will be accrued daily and will be payable monthly in arrears, equivalent to 1.0% per annum of the Net Asset Value of the Fund (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).
An initial payment of the management fee based on the most recent published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

**Performance Fee**

The Investment Manager, in addition to its management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the “Payment Date”) where there is a performance fee payable.

The performance fee for Class I Hedged US Dollar, Class I Hedged Sterling Share, Class I Hedged Euro and Class I Hedged CHF Share Classes shall be equal in aggregate to 10 per cent of the amount by which the Net Asset Value for the Class I Hedged US Dollar Shares, the Class I Hedged Sterling Shares, Class I Hedged Euro and Class I Hedged CHF Shares exceed the Indexed Net Asset Value for each Class I Hedged US Dollar Share, the Class I Hedged Sterling Share, Class I Hedged Euro and Class I Hedged CHF Shares as at the Payment Date multiplied by the weighted average number of Class I Hedged US Dollar Shares, the Class I Hedged Sterling Shares and Class I Hedged CHF in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value for each the Class I Hedged US Dollar Share, Class I Hedged Sterling Share, Class I Hedged Euro and Class I Hedged CHF Shares is calculated by adjusting the Net Asset Value for each Class I Hedged US Dollar Share, the Class I Hedged Sterling Share, Class I Hedged Euro and Class I Hedged CHF Shares as at the date on which the last performance fee was paid for each Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share, Class I Hedged Euro and Class I Hedged CHF Shares Class by the comparative performance of the Index since the date on which the last performance fee was paid for each Class I Hedged US Dollar Share Class, Class I Hedged Sterling Share Class, Class I Hedged Euro and Class I Hedged CHF Shares or the date of issue of the relevant Shares, whichever is the later.

The index performance for the relevant period is adjusted to reflect a hedge into US dollars, Sterling and Euros, respectively. Such hedging adjustment will be calculated on a rolling one month basis using the one month currency interest differential or “swap rate” as provided by Bloomberg.

The performance fee is only payable when the Fund outperforms the Index. If, during a performance fee period, the performance of the Fund does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Custodian shall verify the calculation of the performance fee as at each Payment Date.

Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result,
performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

RISK FACTORS

Potential investors should consider the general risk factors set out in the Prospectus.

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. As a result the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the performance of the Company. However, the Investment Manager when managing the investments of the Company will have a degree of identity of economic interest with Shareholders.

In accordance with the requirements of the Central Bank, the Investment Manager operates a risk management process on behalf of the Fund, based on the commitment approach, the objective of which is to monitor and manage the various risks associated with financial derivative instruments. The Company will provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investment held on behalf of the Fund.