LGT Alpha Generix Long Volatility UCITS Sub-Fund

Supplement

to the Prospectus dated 13 September, 2016
for Crown Alternative UCITS plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to LGT Alpha Generix Long Volatility UCITS Sub-Fund (the "**Sub-Fund**"), a sub-fund of Crown Alternative UCITS plc (the "**Company**") an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**").

This Supplement forms part of, may not be distributed (other than to prior recipients of the Prospectus of the Company dated 13 September, 2016, as may be amended from time to time (the "Prospectus")), unless accompanied by, and must be read in conjunction with, the Prospectus.

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

Dated: 8 December, 2016

Important Information

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

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

<u>Description of the investment</u>

The Sub-Fund may invest principally in financial derivative instruments ("FDI(s)") for investment and efficient portfolio management purposes (as detailed below under "Use of Financial Derivative Instruments") where applicable.

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

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

<u>Suitability of Investment</u>

Investment in the Sub-Fund is suitable for investors seeking capital growth, with a medium to long term investment time horizon who are willing to set aside capital for at least three years and who are prepared to accept a moderate to high level of volatility from time to time.

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

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

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

<u>Responsibility</u>

The Directors of Crown Alternative UCITS plc, whose names appear in the Directors of the Company section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

<u>General</u>

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

Distribution of this Supplement and Selling Restrictions

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

Definitions

Unless otherwise defined herein or the context otherwise requires all defined terms used in this Supplement shall have the same meaning as in the Prospectus as may be amended from time to time.

In this Supplement:

"Base Currency"	means US Dollars. The currencies of Classes of Shares may differ and shall be set out in the relevant Class Supplement.
"Business Day"	means any day on which banks are open for business in Ireland, Switzerland and the United States of America and/or such other place or places as the Directors may, with the consent of the Depositary, determine.
"Cash Equivalents"	shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers' acceptances which meet the requirements of the UCITS Regulations.
"Collective Investment Scheme" or "CIS"	means an open-ended collective investment scheme within the meaning of Regulation 3(2) of the UCITS Regulations and which is prohibited from investing more than 10% of its assets in another such collective investment scheme.
"Dealing Day"	means every Business Day or such other day or days as the Directors may, with the consent of the Depositary, determine and notify in advance the Shareholders provided that there is at least one per fortnight.
"Dealing Deadline"	means with respect to each Dealing Day, 12 noon CET on the third Business Day preceding the relevant Dealing Day (or such other times as may be determined by any two Directors and notified to Shareholders in advance).
"Exchange Traded Fund" or "ETF"	means exchange traded fund.
"Indice(s) or Index(es)"	means Indices over which the Sub-Fund may gain exposure to from time to time and which have been approved by the Central Bank in accordance with the Central Bank UCITS Regulations.
"Initial Subscription Day"	means such date as set forth in the relevant Class Supplement.
"Investment Manager"	means LGT Investment Partners Ltd. or any successor thereto duly appointed in accordance with the requirements of the Central Bank.
"Investment Management Agreement"	means the investment management agreement dated 27 April, 2016 between the Manager and the Investment Manager as amended, supplemented, or otherwise modified from time to time in accordance with the requirements of the Central Bank.
"Manager"	means LGT Capital Partners (Ireland) Limited or any successor thereto appointed in accordance with the requirements of the Central Bank.
"Minimum Initial and Minimum Additional Investment Amount"	means such amounts as set forth in the relevant Class Supplement.

"Subscription Payment Day"	means up to one Business Day immediately following the relevant Dealing Day or such earlier time as may be determined by any two Directors.
"Recognised Clearing System"	means Clearstream and Euroclear or any other system for clearing units which is defined as such in this Supplement as amended from time to time.
"Recognised Exchange"	the list of markets/exchanges as set out in Appendix I to the Prospectus.
"UCITS Regulations"	means the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011, as amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Central Bank.
"Valuation Day"	means the Business Day immediately preceding the Dealing Day, or such other day or days as the Directors may, with the consent of the Depositary, determine and notify in advance to Shareholders.
"Valuation Point"	means midnight Dublin time on the relevant Valuation Day.

1. Investment Objectives and Policies

Investment Objective

The investment objective of the Sub-Fund is to generate capital gains primarily in phases of elevated uncertainty across financial markets while preserving capital under normal market conditions

The investment results may vary substantially on a monthly, quarterly and annual basis. There can be no assurance that the Sub-Fund will achieve its investment objective.

Investment Policy

The Sub-Fund will seek to achieve its objective though active trading of Permitted Investments (defined below). Investments will be selected by the Investment Manager through following a number of strategies set out under "Investment Process of the portfolio" below. These strategies primarily seek to generate gains in phases of elevated uncertainty across financial markets and which seek to preserve capital during normal market conditions. The Sub-Fund aims to provide its shareholders with an investment designed for short- to mid-term downside mitigation.

The primary focus of investment will be on Permitted Investments listed and/or traded on Recognised Exchanges globally and/or generating exposure to same through investment in FDI. Investment in FDIs will be a primary feature of the Sub-Fund and will be used for indirect investment, taking views on the pricing of assets (whether overpriced or underpriced) or likely direction of markets, currency management, maintaining the required level of exposure, hedging, cash management and efficient investing.

The Sub-Fund does not pursue a specific geographical or sectoral focus.

The Sub-Fund may invest in the following types of securities/instruments (the "**Permitted Investments**"):

(1) **Transferable Securities** - transferable securities in the form of global equity securities and global bonds (including corporate or government bonds, which may be fixed or floating, of investment grade or deemed to be investment grade by the Investment Manager), listed or traded on a market set out in Appendix I of the Prospectus. Global equities may include large cap, mid cap or small cap securities; or

(2) **FDIs** - the Sub-Fund can use FDIs the underlyings of which will be indices, which provide exposure as required to pursue the strategies listed below under the heading "Investment Process of the Portfolio" and which comply with the conditions set out below under the heading "Indices", and the instruments listed at (1), (3) and (4). FDI may be exchange traded or over the counter.

The Sub-Fund may invest in the following FDIs: forward foreign exchange contracts, contracts for difference, futures, forwards, options and swaps (including interest rate swaps, exchange rate swaps, cross currency swaps, credit default swaps and total return swaps). Further details relating to each of these FDI are set out under section 1.4 of the Prospectus and in section 3 of this Supplement

(3) **cash and Cash Equivalents** - cash and Cash Equivalents. The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivative exposure;

(4) **CIS** - investments in CIS which comply with the UCITS Regulations and which give exposure to alternative assets, including, commodities, global real estate markets, volatility and precious metals as well as providing exposure to equities, bonds, credit and currencies. In accordance with the investment restrictions, the Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other CIS. The Sub-Fund shall not invest in other CIS which can under terms of their prospectus or instruments of incorporation invest more than 10% of their net assets in other CIS.

In all instances where the Sub-Fund shall invest in listed/traded assets, such listed/traded assets must be listed/traded on markets/exchanges as set out in Appendix I of the Prospectus save that CIS may or may not be listed or traded on such markets or exchanges.

Please also refer to the section headed "Use of Financial Derivatives Instruments" below.

Investment Process of the Portfolio

The constituents of the portfolio will be allocated on a strategic basis to a diverse set of underlying rule-based trading strategies designed to generate returns primarily during times of increased global market uncertainty or volatility while seeking to preserve capital during less volatile market conditions. These strategies may take, primarily through FDIs, long and short positions across equity markets, interest rates, bonds, currencies, commodity indices and may cover developed as well as emerging markets. The strategies may continue uninterrupted or be switched on and off in response to market conditions. In the event that the Investment Manager switches off a particular strategy, the capital would be either reallocated to other strategies or retained in cash, or a combination of both.

During increased market uncertainty, the capital gains are expected to be produced by the strategies designed to perform under these conditions: for example, the strategies that seek to generate gains from shorting of equity risk, from buying volatility or from exposure to assets that tend to appreciate during phases of market stress.

The Investment Manager will allocate capital among the following set of strategies.

(1) Volatility Trading. This strategy seeks to generate gains from taking long VIX index futures exposure at times of increasing implied equity market volatility while maintaining no exposure otherwise. VIX index is the Chicago Board Options Exchange Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is calculated from both calls and puts and is a widely used measure of market risk.

(2) Trading strategies in (i) Equities, (ii) Commodities, (iii) Fixed Income and (iv) FX that seek to exploit price patterns in the relevant markets during financial market stress by investing in permitted FDIs. For the avoidance of doubt, exposure will only be obtained to indices that have been approved by the Central Bank.

(3) Money Market Hedge. This strategy seeks to generate gains from long or spread exposure in money market instruments which may gain from the drop of short term interest rates, typically when central banks seek to support liquidity at times of financial market stress.

(4) Precious Metal Hedge. The strategy seeks to exploit price appreciation in precious metals (non-physical) through investment in CIS. Appreciation of precious metals may result from market participants' increasing fear of a surging financial market crisis or fiat currencies crisis at times of market stress.

(5) FX Hedge. The strategy seeks to generate gains from long exposure to safe haven currencies through currency futures or forward contracts which tend to appreciate at times of financial market stress.

(6) Government Bond Hedge. The strategy seeks to gain from a general flight to government-backed securities during financial market stress through long positions in sovereign bond futures.

(7) Dynamic Equity. The strategy seeks to optimize the risk return profile of the overall portfolio in order to achieve the investment objective by calibrating the equity risk exposure in response to market conditions through the use of equity index futures.

The strategies are developed based on the plausibility of investment thesis and empirical research carried out by the Investment Manager on strategy robustness, operational stability and transaction cost-efficient implementation, following a rigorous assessment process in relation to their performance potential, risk profile and risk contribution to the Sub-Fund.

The Investment Manager's ongoing research and development may lead to the pursuit of new strategies over time. Any new strategies will be implemented in accordance with the requirements of the Central Bank.

The investment policy is implemented by actively trading relevant Permitted Investments in global financial markets and not by multi manager selection.

Leverage

The use of FDIs will leverage the Sub-Fund due to the inherent nature of such instruments. This may increase the level of volatility, more than would be the case if the Sub-Fund did not invest in FDI.

The Sub-Fund will also be leveraged as a result of its use of FDIs provided that such leverage shall not be of such an amount as would cause the Sub-Fund to exceed the market risk limits set out in accordance with VaR as set out in the "Risk Management" section below.

Indices

The Sub-Fund will only gain exposure to indices where considered appropriate to the investment objective and/or investment policy of the Sub-Fund and only to such indices which comply with the Regulations and the requirements of the Central Bank. Subject to compliance with those conditions, the Sub-Investment Managers have full discretion as to which financial indices to take exposure to in furtherance of the Sub-Fund's investment objectives and policies. It is not possible to list comprehensively the actual indices to which exposure may be taken, as they will change from time to time. The following provisions will apply to any such index:

- any such index will be rebalanced/adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g. on a weekly, monthly, quarterly, semi-annually or annual basis;
- the costs associated with gaining exposure to such index will be impacted by the frequency with which the relevant index is rebalanced as an index may pass on rebalancing costs by including them in the price of the index;
- a list of such indices to which a Sub-Fund is exposed will be included in the annual financial statements of the Company;
- details of any such index used by a Sub-Fund will be provided to the Shareholders of that Sub-Fund by the Manager on request; and
- where the weighting of a particular constituent in any such index exceeds the investment restrictions set down in the Regulations, the Sub-Fund will as a priority objective look to remedy the situation taking into account the interests of Shareholders of the relevant Sub-Fund.

Risk Management

A key aspect of the Sub-Fund's investment process is the ability to manage risk. Risk must be managed for the Sub-Fund as a whole as well as for the individual market and sectors within the portfolio.

Risk management, as a well defined process, includes the observation of various pre-defined limits and portfolio risk characteristics and the observation of correct generation and execution of investment rules. It allows for active risk reduction should portfolio risk characteristics and market conditions require.

Risk management considerations may allow for defensive discretionary intervention in certain market circumstances.

The Sub-Fund employs a risk-management process which enables it to accurately measure, monitor and manage the various risks associated with derivative instruments. The Sub-Fund may only utilise the FDIs listed in its risk management process as cleared by the Central Bank and disclosed in this Supplement.

The Sub-Fund will also be leveraged as a result of its use of FDIs provided that any such leverage shall not be of such an amount as would cause the Sub-Fund to exceed the markets risks limits in accordance with VaR as set out below. Any market risk created through the use of FDIs will be measured using a sophisticated risk measurement technique called "value at risk". VaR is a statistical methodology that predicts, using historical data, the likely maximum daily loss that a fund could lose calculated at a 99% confidence level. However there is a 1% statistical chance that the daily VaR number may be exceeded. The Sub-Fund uses a model to calculate VaR in accordance with the requirements of the Central Bank over a 1-day holding period at a one-tailed confidence level of 99% and a historical observation period of 3 years where available, but in case not less than 1 year.

The creation of leveraged exposure to an index via FDI shall be taken into account in assessing compliance with the Prospectus disclosure requirements of the Central Bank UCITS Regulations.

The European Securities and Markets Authority (ESMA) has issued a series of guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS. These guidelines set out compulsory methodologies in the area of risk measurement and the calculation of global exposure and counterparty risk which must be adopted by all UCITS Funds. In particular, having regard to the calculation of the global exposure, ESMA sets out detailed methodologies to be followed by, and disclosures to be provided by, a UCITS when they use the VaR approach. Among the ESMA requirements is the requirement that leverage should be calculated as the sum of the notionals of the derivatives used.

In line with ESMA and Central Bank's requirements, leverage is calculated by adding the notional value of all the Sub-Fund's long FDI positions and the positive notional value of all the Sub-Fund's short FDI positions. The calculation of leverage will therefore include any positions held for the purposes of risk reduction or hedging, for instance forward FX contracts used to hedge currency risk within the Sub-Fund, as well as those which are used for investment purposes.

The level of leverage for the Sub-Fund arising from the use of FDI is expected to vary between 0% and 5'000% of the Net Asset Value, and in any event will not exceed 5'000% of the Net Asset Value, calculated as the aggregate notional value of the Sub-Fund's long FDI positions and the absolute value of the Sub-Fund's short FDI positions, as is required by the Regulations. In accordance with its investment objective and policy, the Sub-Fund is expected to exhibit high leverage levels during the periods of increased market volatility and low leverage levels under normal market conditions. However the absolute VaR limit set out below provides a much more meaningful indication of the Sub-Fund's risk profile. The above measure of leverage tends to overestimate risk exposure as it does not take into account any netting or hedging arrangements that the Sub-Fund has in place even though these netting and hedging arrangements are used for risk reduction. Additionally, because this measure is based on notional values, it distorts and exaggerates the perception of portfolio's riskiness in situations where the Sub-Fund invests a large part of its portfolio in FDIs with high notional exposures but with low levels of volatility and VaR – such as the interest rate futures. In most cases, the notional exposure of interest rate futures must be a multiple of the notional exposure of equity index futures or commodity index futures to achieve a comparable level of volatility. As such, notional exposure of different FDIs may not necessarily be comparable in their risk profile. Strategies based on interest rate futures typically have a lower VaR than a comparable exposure to other Permitted Investments, hence they require a much higher notional exposure versus a strategy investing in other Permitted Investments. Therefore the leverage of the Sub-Fund, determined based on the notional values, may increase as the Sub-Fund's allocation to particular strategies which deploy interest rate futures is increased. The Sub-Fund may seek exposure to these particular strategies as they may provide attractive risk adjusted returns and contribute to the diversification of the Sub-Fund. In general, the sum of notional exposure to FDI's tend to be higher when underlying markets are less volatile.

Investors should be aware that VaR is a way of measuring the potential loss due to market risk with a given degree of confidence (i.e., probability) under normal market conditions. The Sub-Fund could however be exposed to losses which are much greater than envisaged by VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage, VaR is a statistical risk measure and the actual loss of a particular transaction or to the Sub-Fund overall may materially exceed the loss indicated by the use of VaR.

The absolute VaR limit shall not exceed 4.47% of the Net Asset Value of the Sub-Fund on the basis of a 1-day holding period at a confidence level of 99% and is measured daily.

VaR is measured in order to estimate the potential losses that could be realised by the Sub-Fund over a specific time horizon at a certain confidence level from the portfolio of FDIs held by the Sub-Fund. Additional measures of risk such as margin to equity and notional to equity will be monitored by the Manager to complement the VaR calculation.

The Manager, on behalf of the Company and the Sub-Fund, has filed with the Central Bank a risk management process report. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in financial derivative instruments.

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

Investment Restrictions

The general investment restrictions set out under the heading SUB-FUNDS - Investment Restrictions in the Prospectus shall apply.

Limited Recourse

The Sub-Funds in the Company are fully segregated. If the realised net assets of the Sub-Fund are insufficient to pay any amounts payable in respect of the Shares, neither a Shareholder nor any other creditors will have any further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Sub-Fund or any other asset of the Company.

Investment Manager

The Manager has appointed LGT Investment Partners Ltd. as investment manager in respect of the Sub-Fund. The Investment Manager is a separate legal entity and independent of the Company and the Manager. The Investment Manager is a traditional investment management company founded in Switzerland on 30 November 2000 and its registered office is at Schützenstrasse 6, P.O. Box, CH – Pfäffikon (SZ), Switzerland. The Investment Manager is regulated by the Swiss Financial Market Supervisory Authority (FINMA).

In addition, pursuant to the Investment Management Agreement the Investment Manager will provide investment management services to the Manager in respect of LGT Alpha Generix Global Return UCITS Sub-Fund and LGT Alpha Generix Global Income UCITS Sub-Fund (together with the Sub-Fund, the "**AGX Sub-Funds**"). The appointment of the Investment Manager in respect of a particular AGX Sub-Fund may be terminated by either party giving to the other not less than ninety (90) calendar days notice in writing. The Investment Management Agreement may be terminated immediately in certain circumstances set out in the Investment Management Agreement including the insolvency of a party (or upon the happening of a like event). The Investment Management Agreement provides for the Manager to indemnify the Investment Manager or its officers, employees, delegates, servants or agents in the absence of the recklessness, wilful default, bad faith, fraud or negligence of the Investment Manager, its officers, agents or employees.

2. Borrowings

In accordance with the general provisions set out in the Prospectus under the heading SUB-FUNDS - Borrowing and Lending Powers, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

3. Use of Financial Derivative Instruments

The Sub-Fund may engage in transactions in derivative instruments whether transactions are for investment purposes or for the purposes of the efficient portfolio management of the Sub-Fund. The term “efficient portfolio management” refers to transactions that are entered into with the aim of reducing risk, reducing cost or generating additional capital for the Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund as described in this Supplement and the general provisions of the Regulations.

The financial derivative instruments in which the Sub-Fund may, within the conditions and limits set out in the Central Bank UCITS Regulations, invest comprise exchange-traded and over the counter derivative instruments, as disclosed under the investment policy above.

For example, the Investment Manager may enter into interest rate futures to reflect its view that the yield curve will move in a particular way and the Manager or its delegate may seek to hedge credit exposure by entering into credit default swaps which provide protection against the default of individual bonds within the portfolio. Forward FX contracts will principally be used for hedging purposes to reduce foreign exchange risk when investments in any asset class are denominated in currencies other than the Base Currency but may also be used from time to time to change the currency composition of the Sub-Fund by, for instance, using forward FX contracts to take either a net long or net short position in a particular currency. If the Sub-Fund invests in one or more underlying investments which are denominated in a different currency to the Base Currency, currency exchange rate transactions will be entered into to hedge against currency fluctuations. Such hedging activities may cause both profit and loss, as the case may be, and will be added to or subtracted from the gross asset value before the deduction of any fees and expenses. There can be no assurance that the currency hedging program will be entirely successful.

Options are the right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. The Sub-Fund may invest in two forms of options: put or call options. Put options are contracts sold for a premium that give to the buyer the right, but not the obligation, to sell to the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Call options are similar contracts sold for a premium that give the buyer the right, but not the obligation, to buy from the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Options may also be cash-settled. The Sub-Fund may use such instruments to gain exposure to relevant underlying assets (or financial instruments).

Futures and options contracts can also be referred to, as well as include, contracts for differences. These can be options and futures on any index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or option.

The Sub-Fund may engage in securities lending transactions and repurchase agreements subject to the conditions and limits set out in the Central Bank UCITS Regulations. Securities lending transactions and repurchase agreements may be entered into for the purpose of efficient portfolio management.

The Sub-Fund may be both long and short these instruments. The use of FDIs will leverage the Sub-Fund due to the inherent nature of such instruments. This may increase the level of volatility, more than would be the case if the Sub-Fund did not invest in FDI. Any leverage generated by the use of such instruments shall be in accordance with the requirements of the Central Bank.

Any short or long exposure will be created synthetically. The Sub-Fund does not and may not borrow shares for any purpose, but through such FDI, may effectively create a liability of equal magnitude and risk, thereby gaining “synthetic” short exposure.

The Sub-Fund’s gross and net exposure to Permitted Investments will vary, based on the objective and the pursued rule-based strategy. Under normal market conditions, the net short or net long exposure to asset classes such as equities, commodities, currencies or volatility is expected to stay within an anticipated range of 100% net long exposure and 100% net short exposure. However the net exposure to interest rate-related asset classes is expected to be such that a joint parallel shift of the underlying interest-rate curves by 1 basis point has a maximum impact of 50 basis points of net asset value; such maximum impact is comparable to a 250% net long or net short exposure to 10-year maturity government bonds.

Leverage created by the Sub-Fund shall not be of such an amount as would cause the Sub-Fund to exceed the market risk limits set out in accordance with VaR as set out in the "Risk Management" above.

The Sub-Fund may also use a currency hedging strategy as described in the Class Hedging section below.

The Sub-Fund will also be leveraged as a result of its use of FDIs provided that such leverage shall not be of such an amount as would cause the Sub-Fund to exceed the market risk limits set out in accordance with VaR as set out in the "Risk Management" section above.

Class Hedging

Class specific currency hedging activities are described in the relevant Class Supplement.

Total Return Swaps

The counterparty to any total return swap entered into by the Sub-Fund shall satisfy any OTC counterparty criteria set down by the Central Bank of Ireland and shall be an entity which specialise in such transactions. It is not possible to comprehensively list in this Supplement all the counterparties as they have not, as of the date of issue of this Supplement, been selected and they may change from time to time. The underlying strategy and composition of the investment portfolio of total return swaps will be consistent with the investment policy of the Sub-Fund. If applicable, a list of the indices to which the Sub-Fund takes exposure to will be included in the annual report for the Company. Details of any financial indices underlying the total return swaps entered into by the Sub-Fund will also be provided to Shareholders by the Sub-Investment Manager on request

The failure of a counterparty to a swap transaction may have a negative impact on the return for Shareholders. Where it is proposed that the Sub-Fund enter into a total return swap, only counterparties with a credit rating of at least BBB by Standard & Poor's Rating Group or an equivalent rating from an internationally recognised rating agency at the date of purchase will be permitted and such ratings will be monitored on an on-going basis. Any securities which fall below the minimum required rating following acquisition will be sold within six months from the downgrading, unless the rating is upgraded within that period. Additionally, any such transactions will only be concluded on the basis of standardised framework agreements (e.g., ISDA with Credit Support Annex).

The counterparty to any total return swap entered into by the Sub-Fund shall not assume any discretion over the composition or management of the investment portfolio of that Sub-Fund or of the underlying of the total return swap and the counterparty’s approval will not be required in relation to any investment portfolio transaction relating to that Sub-Fund.

4. Key Information for Subscription and Repurchase

Initial Issue Price

Is set forth in the relevant Class Supplement.

Issue Price

Following the Initial Subscription Day the issue price of each Share on any Dealing Day will be the Net Asset Value per Share of the relevant Class on the Valuation Day immediately preceding such Dealing Day.

Subscriptions

Applicants wishing to apply for the Share Classes of the Sub-Fund must arrange an electronic transfer so that cleared funds in the currency of the relevant Class are received by the Administrator no later than the Subscription Payment Day.

Shares will not be allotted until an application and cleared funds have been received by the Company on behalf of the Sub-Fund.

If payment in full has not been received by the Subscription Payment Day, or in the event of non-clearance of funds, the Directors shall be entitled to cancel the issue and allotment of Shares in respect of such application made. In such cases the Company will charge the applicant for any resulting bank interest, other charges, expenses and market losses incurred by the Sub-Fund as a result of late payment or non-payment of cleared funds. The Directors have the right to sell all or part of the applicant's holding of Shares in order to meet such charges.

The completed application must be received by the Administrator no later than the Dealing Deadline.

Shares will be issued at the Issue Price on the relevant Dealing Day. Applications for Shares received after the relevant Dealing Deadline specified above will be held over and Shares will be issued at the Issue Price on the next applicable Dealing Day.

Shareholders will receive a contract note on the Business Day immediately following the relevant Dealing Day.

For further details on the subscription process please refer to section 2 of the Prospectus entitled *"Share Dealings"*.

Repurchase of Shares

Requests for the repurchase of Shares should be made to the Company care of the Administrator and may be made by fax or in writing, or by using an established electronic dealing platform as set out in the Prospectus. Requests by facsimile will be treated as definite orders even if not subsequently confirmed in writing. Such repurchase requests shall only be processed where payment is made to the account of record. Requests for the repurchase of Shares will not be capable of withdrawal after acceptance by the Administrator. Where requests for the repurchase of Shares is made by facsimile, the original Application Form must be received by the Company care of the Administrator before any Repurchase Proceeds will be paid out. Requests received on or prior to the relevant Dealing Deadline will, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall, be treated as having been received by the following Dealing Deadline unless the Administrator and the Directors on an exceptional basis only otherwise agree and provided only they are received before the relevant Valuation Point.

Repurchase requests may also be made using an established electronic dealing platform. Repurchase requests will only be accepted electronically where the Shareholder has accepted the terms and conditions of use of such service, and all necessary anti-money laundering documentation has been received and processed by the Administrator.

A repurchase request will not be capable of withdrawal after acceptance by the Administrator. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary and advance notification to all of the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares relating to the Sub-Fund.

Limitations on Repurchases

The Directors are entitled to limit the number of Shares in a Sub-Fund repurchased on any Dealing Day to Shares representing ten per cent of the total Net Asset Value of the Sub-Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of the Sub-Fund repurchased on that Dealing Day realise the same proportion of such Shares. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will (subject to the foregoing limits) be dealt with equally to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will inform the Shareholders affected.

Repurchase Price

The Repurchase Price at which Shares will be repurchased on a Dealing Day is the Net Asset Value per Share of the relevant Class on the relevant Dealing Day. The Repurchase Proceeds are the Repurchase Price less any applicable Repurchase Charge and any applicable taxes. There shall be no Repurchase Charge payable in respect of a Repurchase of Shares of this Sub-Fund. The method of establishing the Net Asset Value of any Sub-Fund and the Net Asset Value per Share of any Class of Shares in a Sub-Fund is set out in the Articles as described in the Prospectus under the heading "Calculation of Net Asset Value/Valuation of Assets".

Settlement Date for Repurchases

Repurchase contract notes will be issued to Shareholders within one (1) Business Day of the relevant Dealing Day. The amount due on the repurchase of Shares of any class in the Sub-Fund will be paid within one (1) Business Day following the relevant Dealing Day by electronic transfer to an account in the name of the Shareholder. Repurchase proceeds will only be paid on receipt by the Administrator of any relevant repurchase documentation.

5. Fees and Expenses

In addition to the general management and fund charges set out in the Prospectus under the heading "Fees and Expenses" the Sub-Fund shall bear its attributable portion of (i) the expenses payable by the Company to the Manager, Administrator, Distributor, Depositary, Valuation Agent, Directors and any other delegate appointed by the Company, (ii) the establishment and operating expenses of the Sub-Fund. The organisational expenses of the Company are fully amortised. The establishment costs of the Sub-Fund are estimated to amount to USD 10,000 and are expected to be fully amortised over the first year of the existence of the Sub-Fund.

Fees of the Manager

The Manager's management and performance fee payable out of the assets of the Sub-Fund is set out in the relevant Class Supplement. The Manager shall discharge the Investment Manager's fee out of its own fee.

Fees of the Distributor

The fees payable to the Distributor out of the assets of the Sub-Fund shall be included in the overall management fee as described in the relevant Class Supplement

Fees of the Depositary, Sub-custodian and Administrator

The Depositary and Administrator are entitled to receive, out of the assets of the Sub-Fund, a combined fee corresponding to a maximum of 0.20% p.a. of the Net Asset Value of the Sub-Fund. Such fee will accrue on each Valuation day and be paid monthly in arrears. Further information on the Depositary and Administrator fees can be obtained by investors from the Manager upon request. Depositary and Administrator fees in respect of each Accounting Period will be disclosed in the financial statements of the Company.

The Administrator and Depositary shall also be entitled to be repaid out of the assets of the Sub-Fund all of its out-of-pocket expenses incurred by it in the performance of its duties pursuant to or in connection with the Administration Agreement, together with VAT, if any, thereon.

Expenses relating to investment advisory / execution agency services

The Sub-Fund will bear its operating and other expenses including but not limited to investment management-related fees and expenses related to the investment advisory and/or execution agency services provided by the Investment Advisor and/or Execution Agent to the Manager in respect of the management of the assets of the Sub-Fund (e.g., costs, fees and other out-of-pocket expenses directly related to portfolio management, trade execution, the investigation of investment opportunities and research-related expenses, including, without limitation, news and quotation equipment and services, market data services, and fees payable by the Investment Advisor to third party providers of research and/or portfolio (risk) management services). The aforementioned costs, fees and expenses to be borne by the Sub-Fund are expected to amount approximately up to €150,000 per annum.

6. Dividend Policy

The Sub-Fund does not currently intend to make any dividend payments.

7. Risk Factors

The general risk factors are set out in the Prospectus under the heading **RISK FACTORS**. In addition, the following risk factors apply to the Sub-Fund:

General

An investment in the Sub-Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares in the Sub-Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down. An investment in the Sub-Fund involves certain investment risks, including the possible loss of principal.

Indices and Futures Contracts Trading Risk. The index futures market (including financial and commodity index futures) and other financial instruments which provide exposure to Indices are highly volatile and are influenced by factors such as changing supply and demand relationships, government programs and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required in an index futures trade, a high degree of leverage is typical in index futures trading accounts. As a result, a relatively small price movement in an index futures contract may result in substantial losses to the trader. Trading index futures may also be illiquid. Certain exchanges do not permit trading in particular index futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – the Sub-Fund could be prevented from promptly liquidating unfavourable positions and thus be subject to substantial losses.

Availability of Investment Strategies. No assurance can be given that the Manager will be able to locate suitable investment opportunities in which to deploy all of the Sub-Fund's assets. No assurance can be given that the Manager will be able to exploit discrepancies in the securities and derivatives markets. A reduction in the pricing inefficiency of the markets in which the Sub-Fund seeks to invest, as well as other market factors, will reduce the scope for the Sub-Fund's investment strategies.

The Sub-Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or changes in tax treatment.

The amount of capital invested in funds such as the Sub-Fund has increased dramatically in recent years. Such increase may result in greater competition for investment opportunities, as well as increased price volatility and/or decreased liquidity in certain positions.

Investment Manager. The performance of the Sub-Fund is substantially dependent on the services of senior professionals of the Investment Manager who manage the investment of the assets of the Sub-Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of such professionals the performance of the Sub-Fund may be adversely affected.

Performance Fee. The Manager will receive a Performance Fee from the Sub-Fund, based upon the appreciation, if any, in the net assets of the Sub-Fund. The Manager may then allot a portion of this fee to the Investment Manager. The Performance Fee theoretically may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, the Performance Fee is calculated on the basis of net realised and net unrealised gains and losses at the end of each Performance Period and as a result Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Class of Shares is not a Separate Legal Entity. As among the shareholders, although the Sub-Fund maintains only one portfolio of assets, the appreciation and depreciation attributable to a Class will be allocated only to such Class. Similarly, expenses attributable solely to a particular Class will be allocated solely to that Class. However, a creditor of the Sub-Fund will generally not be bound to satisfy its claims from a particular Class. Rather, such creditor generally may seek to satisfy its claims from the assets of the Sub-Fund as a whole. Further, if the losses attributable to a Class exceed its value, then such losses could negatively impact the value of other Classes. At the date of this document, the Directors are not aware of any existing or contingent liabilities.

Liquidity and Valuation of Investments. The Sub-Fund may invest in instruments which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and the Sub-Fund may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over the counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Market Disruptions. The Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect from historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Sub-Fund from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Sub-Fund. In 1994, in 1998 and again in the so-called “credit crunch” of 2007-2008 a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of investment vehicles. The “credit crunch” of 2007-2008 particularly affected investment vehicles focused on credit-related investments. However, because market disruptions and losses in one sector can cause ripple effects in other sectors, during the “credit crunch” of 2007-2008 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Sub-Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Sub-Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Sub-Fund to close out positions.

Leverage and Financing Risk. The Sub-Fund intends to leverage its capital to attempt to achieve a higher rate of return. Accordingly, the Sub-Fund may leverage its investment return by entering into options, forwards and other derivative instruments. The amount of leverage which the Sub-Fund may have at any time shall not exceed that permitted by the Regulations.

While leverage presents opportunities for increasing the Sub-Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Sub-Fund would be magnified to the extent the Sub-Fund is leveraged. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to the Sub-Fund's investments could result in a substantial loss to the Sub-Fund which would be greater than if the Sub-Fund were not leveraged.

The financing used by the Sub-Fund to leverage its portfolio will be extended by counterparties which are subject to prudential supervision and belong to categories approved by the Central Bank.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Sub-Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Sub-Fund. Market illiquidity or disruption could result in major losses to the Sub-Fund.

Futures. Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The low margins normally required in futures trading permit a very high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or loss which is high in proportion to the amount of funds actually placed as margin and may result in unquantifiable further loss exceeding any margin deposited. Futures trading in many contracts on futures exchanges (although generally not in currencies) is subject to daily price fluctuation restrictions, commonly referred to as “daily limits”, which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day’s closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Investment Manager to liquidate a futures position against which the market is moving. A series of “limit moves”, in which the market price moves the “daily limit” with little or no trading taking place, could subject the Sub-Fund to major losses.

Hedging Transactions. The Investment Manager, on behalf of the Sub-Fund may utilise financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Sub-Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Sub-Fund's unrealised gains in the value of the Sub-Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the

Sub-Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Sub-Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Sub-Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Sub-Fund's hedging strategy will depend, in part, upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Sub-Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Sub-Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Sub-Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Sub-Fund from achieving the intended hedge or expose the Sub-Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of the Sub-Fund's portfolio holdings.

Credit Risk and Counterparty Risk. The Sub-Fund will be subject to the risk of the inability of any counterparty (including the counterparty and the Depositary to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. If there is a failure or default by the counterparty to such a transaction, the Sub-Fund will have contractual remedies pursuant to the agreements related to the transaction (which may or may not be meaningful depending on the financial position of the defaulting counterparty).

The Investment Manager will seek to minimise the Sub-Fund’s counterparty risk through the selection of financial and non-financial institutions and types of transactions employed. However, the Sub-Fund’s operational mechanisms may involve counterparty and other risk elements that may create unforeseen exposures.

Concentration of Investments. Subject to the Investment Restrictions of the Sub-Fund the Investment Manager is not restricted as to the percentage to the Sub-Funds assets that may be invested in any particular industry, instrument, market or strategy. The Sub-Fund will not maintain any fixed guidelines for diversifying its portfolio among instruments, markets or strategies. In attempting to maximise the Sub-Funds returns the Investment Manager may concentrate the holdings of the Sub-Fund in those instruments, strategies or markets which, in sole judgement of the Investment Manager, provide the best profit opportunities consistent with the Sub-Funds investment objective.

Exchange Rate Fluctuations; Currency Considerations. Whilst the Sub-Fund will operate in US Dollars, the Sub-Fund's assets will often be invested in securities and or financial instruments denominated in other currencies and any income or capital received by the Sub-Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Sub-Fund's portfolio and the unrealised appreciation or depreciation of investments.

Furthermore, the Sub-Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Sub-Fund at one rate, while offering a lesser rate of exchange should the Sub-Fund desire immediately to resell that currency to the dealer. The Sub-Fund will conduct its currency exchange transactions either on a spot (i.e. cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell currencies. It is anticipated that most of the Sub-Fund's currency exchange transactions will occur at the time securities are purchased and will be executed through a broker or custodian acting for the Sub-Fund.

The Investment Manager may seek to hedge the currency exposure of Shareholders holding Shares denominated in currencies other than Base Currency. The adoption of this strategy may substantially limit Shareholders of the non-Base Currency denominated Shares from benefiting if the relevant currency falls against Base Currency and/or against the other currencies in which the assets of the Sub-Fund are denominated. The hedging transactions (if any) will be clearly attributable to a specific class and all costs and gains/losses of such hedging transactions will accrue solely to the Shareholders holding Shares in the relevant currency.

Net Asset Value Considerations. The Net Asset Value per Share is expected to fluctuate over time with the performance of the Sub-Fund's investments. A shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share of the relevant Class at the time of such redemption is less than the issue price paid by such shareholder. In addition, where there is any conflict between International Financial Reporting Standards (“**IFRS**”) and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value the latter principles shall take precedence (see also the section entitled “**Net Asset Value**” below).

Legal Risk. Some of the laws that govern private and foreign investment and contractual relationships in certain countries are new and largely untested. As a result, the Sub-Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Sub-Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Sub-Fund and its operations. In addition, the income and gains of the Sub-Fund may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit.

Tax Considerations. Where the Sub-Fund invests in securities that are not subject to withholding tax at the time of the acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Sub-Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value. Where the Sub-Fund sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not the Sub-Fund.

Highly Volatile Instruments. The prices of derivative instruments, including options, are highly volatile. Price movements of forward contracts and other derivative contracts in which the Sub-Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Sub-Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

Business and Regulatory Risks of Funds. Legal, tax and regulatory changes could occur during the term of the Sub-Fund that may adversely affect the Sub-Fund. The regulatory environment for funds is evolving, and changes in the regulation of funds may adversely affect the value of investments held by the Sub-Fund and the ability of the Sub-Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Sub-Fund could be substantial and adverse.

Execution of Orders. The Sub-Fund's trading strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager subject to the Investment Restrictions. The Sub-Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to the Sub-Fund, its brokers, agents or other service providers. In such event, the Sub-Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Sub-Fund might not be able to make such adjustment. As a result, the Sub-Fund would not be able to achieve the market position selected by the Investment Manager, and might incur a loss in liquidating its position. In addition, the Sub-Fund may rely heavily on electronic execution systems, and such systems may be subject to failure, causing the interruption of trading orders made by the Sub-Fund.

Increased Costs of Trading. The strategies employed by the Investment Manager may require frequent trading. Therefore, portfolio turnover, brokerage commission expenses and transaction charges of the Sub-Fund may exceed those of other investment funds of comparable size and indirectly affect the Sub-Fund's earnings. Brokerage commissions, fees, taxes and other transaction costs may be substantial, regardless of performance.

Reliance on Models/Information Technology. The Sub-Fund's investment approach is based on mathematical models, which are implemented as automated computer algorithms, and valuation models developed over time by investment professionals at the Investment Manager. The Investment Manager commits substantial resources to the updating and maintenance of existing models and algorithms as well as to the ongoing development of new models and algorithms. As market dynamics shift over time, a previously successful model may produce losses before the Investment Manager realises that some of its assumptions have become outdated. There can be no assurance that the Investment Manager will be successful in maintaining effective mathematical and valuation models and automated computer algorithms.

Systemic Risk. Multiple counterparty risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Sub-Fund interacts on a daily basis.

Valuation Risk. The Net Asset Value of the Sub-Fund will be calculated by the Administrator based, to the extent possible, on prices obtained from independent third-party sources including exchanges. The fair market value of those assets of the Sub-Fund for which a third-party price is not available will be valued based on other sources deemed reliable by the Directors, in consultation with the Manager and the Administrator. Investors should note that there is a risk that a Shareholder which redeems its Shares while the Sub-Fund holds particular assets may be paid an amount less or more than it would otherwise be paid if the actual value of such assets is higher or lower than the value provided to the Administrator. In addition, there is a risk that a subscription for Shares could dilute the underlying value of such assets for the other Shareholders if the actual value of such assets is higher than the value provided to the Administrator. There is also a risk that greater Investment Management Fees and Performance Fees may be paid by the Sub-Fund in respect of certain assets or liabilities of the Sub-Fund than would have been paid if the actual value of such assets or liabilities is lower or higher than the value determined for the purposes of calculating those fees and allocations. None of the Directors, the Manager, the Investment Manager or the Administrator is under any liability (including any obligation to remit excess Investment Management Fees or Performance Fees to the Sub-Fund or any of the Shareholders) if a price reasonably believed to be an accurate valuation of a particular asset of the Sub-Fund is found not to be such.

Misconduct of Employees and of Third Party Service Providers. Misconduct by employees or by third party service providers could cause significant losses to the Sub-Fund. Employee misconduct may include binding the Sub-Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Sub-Fund's business prospects or future marketing activities. Although the Investment Manager will adopt measures to prevent and detect employee misconduct and to select reliable third party providers, such measures may not be effective in all cases.

Terrorist Action. There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Systematic Trading. The Sub-Fund will indirectly be involved in systematic trading through its investments. The profitability of trading under technical, trend-following methods depends on, among other things, the occurrence of significant price trends which are sustained movements, up or down, in futures and forward prices. Such trends may not develop; there have been periods in the past without price trends. The likelihood of the Sub-Fund being profitable could be materially diminished during periods when events external to the markets themselves have an important impact on prices. During such periods, historic price analysis could lead to establishing positions on the wrong side of the price movements caused by such events. Furthermore, trading systems, methods and strategies employing trend-following timing signals, based on technical analysis, are not new. There has been an increase in recent years in the use of systematic trading approaches. While the effect of such increase cannot be determined, such increase could alter trading patterns or affect the execution of trades to the detriment of the Sub-Fund.

Potential Inability to Trade or Report due to Systems Failure. The Sub-Fund's strategies are dependent to a significant degree on the proper functioning of its internal computer systems. Accordingly, systems failure, whether due to third party failures upon which such systems are depended or the failure of the trading manager's hardware or software, could disturb trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause the Sub-Fund to experience significant trading losses or to miss opportunities for profitable trading. Any such failure could cause a temporary delay in reports to investors.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Sub-Fund. Prospective investors should read this entire Supplement and the Prospectus and consult with their own legal, tax and financial advisers before deciding to invest in the Sub-Fund.

8. Other Information

Information to Shareholders

The Directors or their delegate may, at its discretion, provide additional fund valuation and/or reporting information to Shareholders (subject to certain terms and conditions). Such additional fund valuation and/or reporting information will be made available to all Shareholders and should be used for information purposes only. An investment decision should not be based upon the content of such fund valuation and/or reporting information and any indicative Net Asset Value per Share outlined therein should not be taken to be or relied upon as being an accurate indicator of the Net Asset Value per Share.

Notification of Prices

The issue price and Repurchase Price of each Class of Shares of the Sub-Fund will be available on www.lgt.com (which will be kept up to date). Access may be restricted and it is not an invitation to subscribe for purchase, convert, sell or repurchase Shares.

Miscellaneous

The Company has the following other Sub-Funds available for subscription at the date of this Supplement:

LGT Alpha Generix Global Return UCITS Sub-Fund

LGT Alpha Generix Global Income UCITS Sub-Fund

LGT Crown Managed Futures UCITS Sub-Fund

LGT Crown Multi-Strategy UCITS Sub-Fund

LGT Select Bond EMMA Blend Sub-Fund

LGT Crown Global Equity Alpha UCITS Sub-Fund

LGT Alpha Generix
Long Volatility
UCITS Sub-Fund

Class Supplement for Class A (USD)

This Class Supplement dated 8 December, 2016 refers to Class A (USD) (the "Class") of the LGT Alpha Generix Long Volatility UCITS Sub-Fund (the "Sub-Fund"), a sub-fund of Crown Alternative UCITS plc (the "Company"), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland. This Class Supplement should be read in the context of and in conjunction with the Prospectus dated 13 September, 2016 for the Company as may be amended from time to time (the "Prospectus") and the Supplement dated 8 December, 2016 relating to the Sub-Fund as may be amended from time to time (the "Sub-Fund Supplement"). This Class Supplement contains specific information in relation to the participating shares of the Class (the "Shares").

1. Class Currency

The designated currency of the Class is USD.

2. Initial Issue Price

The Initial Issue Price is USD 1,000.

3. Initial Subscription Day

The Initial Subscription Day will be from 9.00 a.m. to 5.00 p.m on 30 December, 2016, or such later day as the Directors shall determine and notified to the Central Bank. The initial offer period will be limited to the Initial Subscription Day.

4. Minimum Initial and Minimum Additional Investment Amount

The Minimum Initial Investment Amount for any investor in the Class shall be USD 10,000 and the Minimum Additional Investment Amount shall be in the amount of one single Share, unless otherwise agreed by any two of the Directors and notified to Shareholders.

Unless the Directors determine otherwise in their sole discretion, the Class shall be open for investment by (i) Institutional investors, where an asset management agreement, an investment advisory agreement, a co-operation agreement or similar agreement with an LGT group company is in existence; or there is a distribution of fund products promoted by the LGT Group or fund-related products and certificates; (ii) Any and all companies in which the LGT Group Foundation has a direct or indirect interest for its own account and (iii) Any and all employees of a LGT group company.

5. Preliminary Charge

A Preliminary Charge of up to 2% (if any) of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

6. Repurchase Charge

None.

7. Issue of Shares

The procedures to be followed in applying for Shares are set out in the Prospectus under the heading "Subscription for Shares" and in the Sub-Fund Supplement under the heading "Subscriptions". Key definitions are provided in the Sub-Fund Supplement.

8. Fees

The Class shall bear its attributable proportion of the general fees and expenses payable by the Company and the Sub-Fund. These are set out in detail under the headings "Fees and Expenses" in the Prospectus and the Sub-Fund Supplement.

There will be no management or performance fee charged to the Class. Investors in the Class shall pay fees separately outside the Company and the Sub-Fund to another LGT group company, where appropriate.

9. Risk Factors

Persons interested in purchasing the Class A Shares should read the section headed "Risk Factors" in the Sub-Fund Supplement and in the main body of the Prospectus and "Conflicts of Interest" in the main body of the Prospectus.