

The Directors of PGIM Funds plc (the “Company”) whose names appear in the “Directory” of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information.

PGIM EUROPEAN HIGH YIELD BOND FUND

(A sub-fund of PGIM Funds plc, an investment company with variable capital incorporated with limited liability in Ireland with registered number 530399, established as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

INVESTMENT MANAGER

PGIM, INC.

Dated 22 January 2019

This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 22 January 2019 (the “Prospectus”) in relation to the Company and contains information relating to the PGIM European High Yield Bond Fund which is a sub-fund of the Company.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should be aware of the risks of the Fund including, but not limited to, the risks described in the “Risk Considerations” section of the Prospectus and this Supplement.

TABLE OF CONTENTS

Definitions.....	3
The Fund	5
Investment Objective and Policies	7
Sub-Investment Manager	10
Investor Profile	10
Risk Considerations	10
Dividend Policy	12
Fees and Expenses.....	12
Subscription and Redemption of Shares.....	14

DEFINITIONS

Any words or terms not defined in this Supplement have the same meaning given to them in the Prospectus. The Fund is established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("**UCITS Regulations**") and this Supplement will be construed accordingly and will comply with the UCITS Regulations.

"Accumulation Class Shares" means any Share Class that includes the term "Accumulation" in its name;

"AUD" means Australian Dollar, the lawful currency of Australia;

"Base Currency" means EUR;

"Business Day" means:

- (i) a day on which (a) banks in Dublin, London and New York, and (b) the New York Stock Exchange and the London Stock Exchange, are open for business; or
- (ii) such other day or days as may be determined from time to time by the Directors;

"CAD" means Canadian Dollar, the lawful currency of Canada;

"CHF" means Swiss Franc, the lawful currency of Switzerland;

"Dealing Day", being the day upon which redemptions and subscriptions occur, means

- (i) each Business Day; and / or
- (ii) any other day which the Directors have determined, subject to advance notice to all Shareholders in the Fund and provided there is at least one Dealing Day per fortnight;

"Distribution Class Shares" means any Share Class that includes the term "Distribution" in its name;

"EUR" means Euro;

"Fund" means the PGIM European High Yield Bond Fund;

"GBP" means British Pound, the lawful currency of the United Kingdom;

"Hedged Class Shares" means any Share Class that includes the term "Hedged" in its name;

"NOK" means Norwegian Krone, the lawful currency of Norway;

"Redemption Cut-Off Time" means 12:00 pm (Irish time) on the relevant Dealing Day or such point as the Directors may determine in exceptional circumstances;

"SEK" means Swedish Krona, the lawful currency of Sweden;

"Subscription Cut-Off Time" means 12:00 pm (Irish time) on the relevant Dealing Day or such point as the Directors may determine in exceptional circumstances;

"Sub-Investment Manager" means PGIM Limited having its registered office at Grand Buildings, 1-3 Strand, Trafalgar Square, London WC2N 5HR, United Kingdom;

"Sub-Investment Management Agreement" means the sub-investment management agreement entered into between the Investment Manager and the Sub-Investment Manager dated 10 January 2014, as amended from time to time;

“Valuation Day” means each Dealing Day, unless otherwise determined by the Directors;

“Valuation Point” means 4:00 pm New York time on each Valuation Day or such other time as the Directors may determine in respect of the Fund from time to time and notify to Shareholders; and

“Yen” means the lawful currency of Japan.

THE FUND

The PGIM European High Yield Bond Fund is a sub-fund of PGIM Funds plc, an investment company with variable capital incorporated in Ireland with registered number 530399 and established as an umbrella fund with segregated liability between sub-funds.

The Company offers twenty-three classes of Shares in the Fund as set out below. The Company may also create additional classes of Shares in the Fund in the future with prior notification to, and clearance in advance by, the Central Bank.

Share Class Description	Class Currency	Management Fee	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
A Share Classes					
CHF-Hedged A Accumulation	CHF	Up to 1.25% of NAV per annum	CHF 5,000	CHF 1,000	CHF 5,000
EUR A Accumulation	EUR	Up to 1.25% of NAV per annum	EUR 5,000	EUR 1,000	EUR 5,000
GBP-Hedged A Distribution	GBP	Up to 1.25% of NAV per annum	GBP 5,000	GBP 1,000	GBP 5,000
NOK-Hedged A Accumulation	NOK	Up to 1.25% of NAV per annum	NOK 50,000	NOK 10,000	NOK 50,000
USD-Hedged A Accumulation	USD	Up to 1.25% of NAV per annum	USD 5,000	USD 1,000	USD 5,000
I Share Classes					
AUD-Hedged I Accumulation	AUD	Up to 0.50% of NAV per annum	AUD 10,000,000	AUD 1,000,000	AUD 10,000,000
CAD-Hedged I Accumulation	CAD	Up to 0.50% of NAV per annum	CAD 10,000,000	CAD 1,000,000	CAD 10,000,000
CHF-Hedged I Accumulation	CHF	Up to 0.50% of NAV per annum	CHF 10,000,000	CHF 1,000,000	CHF 10,000,000
EUR I Accumulation	EUR	Up to 0.50% of NAV per annum	EUR 8,000,000	EUR 800,000	EUR 8,000,000
EUR II Accumulation	EUR	0% of NAV per annum	EUR 8,000,000	EUR 800,000	EUR 8,000,000
EUR I Distribution	EUR	Up to 0.50% of NAV per annum	EUR 8,000,000	EUR 800,000	EUR 8,000,000
GBP-Hedged I Accumulation	GBP	Up to 0.50% of NAV per annum	GBP 7,000,000	GBP 700,000	GBP 7,000,000
GBP-Hedged I Distribution	GBP	Up to 0.50% of NAV per annum	GBP 7,000,000	GBP 700,000	GBP 7,000,000
NOK-Hedged I Accumulation	NOK	Up to 0.50% of NAV per annum	NOK 60,000,000	NOK 6,000,000	NOK 60,000,000
SEK-Hedged I Accumulation	SEK	Up to 0.50% of NAV per annum	SEK 60,000,000	SEK 6,000,000	SEK 60,000,000
USD-Hedged I Accumulation	USD	Up to 0.50% of NAV per annum	USD 10,000,000	USD 1,000,000	USD 10,000,000
USD-Hedged I Distribution	USD	Up to 0.50% of NAV per annum	USD 10,000,000	USD 1,000,000	USD 10,000,000
Yen-Hedged I Accumulation	YEN	Up to 0.50% of NAV per annum	YEN 1,000,000,000	YEN 100,000,000	YEN 1,000,000,000
Yen-Hedged I Distribution	YEN	Up to 0.50% of NAV per annum	YEN 1,000,000,000	YEN 100,000,000	YEN 1,000,000,000
P Share Classes					
CHF-Hedged P Accumulation	CHF	Up to 0.65% of NAV per annum	CHF 100,000	CHF 50,000	CHF 100,000
EUR P Accumulation	EUR	Up to 0.65% of NAV per annum	EUR 100,000	EUR 50,000	EUR 100,000
GBP-Hedged P Distribution	GBP	Up to 0.65% of NAV per annum	GBP 100,000	GBP 50,000	GBP 100,000
USD-Hedged P Accumulation	USD	Up to 0.65% of NAV per annum	USD 100,000	USD 50,000	USD 100,000

The Base Currency of the Fund is EUR.

Although hedging strategies may not necessarily be used in relation to each Class within the Fund (e.g., classes with a Class Currency that is the same as the Base Currency), the financial instruments used to implement such strategies will be assets/liabilities of the Fund as a whole. However, such transactions will be clearly attributable to the relevant Class and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Class Shares. Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Investment Manager. The hedged positions will be kept under review to ensure that (i) over-hedged positions do not exceed 105% of the Net Asset Value of the relevant Class of Shares and (ii) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the relevant Class of Shares which is to be hedged. This review will incorporate a procedure to ensure that positions materially in excess of 100% of the Net Asset Value of the relevant Class of Shares and any under-hedged positions falling short of the level above will not be carried forward from month to month. The currency exposure of the Fund arising from the assets held by the Fund and also the currency hedging transactions entered into by the Fund (other than with respect to Hedged Class Shares) will not be allocated to separate Classes and will be allocated pro rata to all Classes of the Fund. Where currency hedging transactions are entered into in respect of a Class, the currency exposure arising from such transactions will be for the benefit of that Class only and may not be combined with or offset against the currency exposure arising from transactions entered into in respect of other Classes whether such exposure is attributable to transactions entered into at the Class or Fund level. The periodic reports of the Fund will indicate how hedging transactions have been utilised.

Euronext Dublin Listing

With the exception of the EUR II Accumulation Class Shares, all other Classes of Shares in the Fund shall apply to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. Details of the current listed Classes of Shares are available on request from the Investment Manager.

The launch and listing of various Classes of Shares within the Fund may occur at different times and therefore, at the time of the launch of a Class of Shares, the pool of assets to which such Class relates may have commenced trading. For further information in this regard, the most recent interim and annual reports of the Company will be made available to potential investors upon request. Investors should contact the Investment Manager to determine which Classes in each Fund are available for subscription and/or listed on Euronext Dublin at any particular time.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund is to achieve a return through a combination of current income and capital appreciation while preserving invested capital through investment, as outlined below.

The benchmark of the Fund is ICE BofAML European Currency Non-Financial High Yield 2% Constrained Index (the “**Benchmark**”). The Investment Manager may alter the Benchmark from time to time to any other benchmark which the Investment Manager determines, in its sole discretion, deems representative for this Fund, in which case this Supplement will be updated appropriately. Shareholders will be notified in advance of any change in the benchmark of the Fund. Investors should note that the Fund does not intend to track this Benchmark.

The Fund seeks to add value through active management by using a relative value, fundamental credit approach to select opportunities in the European high yield bond market. The relative value approach involves looking at the fundamental credit ranking and the yield and yield expectation of issuers to assess which investment offers the best risk-adjusted return. There is no assurance that such objective will be achieved.

The Fund will be invested primarily in fixed income securities and collective investment schemes that invest primarily in fixed income securities which are rated by any Nationally Recognized Statistical Rating Organization (“**NRSRO**”) or, if not rated, determined by the Investment Manager to be of comparable quality to securities so rated. However, there are no constraints on the Fund’s ability to invest in below investment grade securities.

The Fund will seek to achieve its objective by investing in a diversified portfolio consisting primarily of high yield bonds that are originated in the European corporate bond markets. These high yield bonds will largely be a mix of fixed and floating rate instruments that are rated below investment grade and which are listed or traded on Recognised Markets globally.

The Fund is expected to invest principally in the European high yield markets, which includes bonds purchased in the European bond market that are issued by European and non-European issuers. Bonds may be payable as to principal and interest in Euros, Sterling, U.S. Dollars or other foreign denominations.

The Fund’s investments may include all types of bond instruments, and loan instruments which may be securitised (loan participations) or unsecuritised (loan assignments (subject to a requirement that the Fund will not invest greater than 10% of its assets in aggregate in unlisted securities) which qualify as money market instruments in accordance with the requirements of the Central Bank), senior secured and unsecured obligations, second lien, mezzanine and subordinated capital and preferred stock issued in the European high yield markets. The Fund may also use, for investment, risk management or hedging purposes, derivative transactions (including, credit default swaps, interest rate swaps, forward foreign currency contracts, currency options and options on bonds, treasury futures and currency futures), the underlying reference assets for which will be bonds, interest rates and currencies.

The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. A call option (which may be covered or uncovered) on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option (which may be covered or uncovered) is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. An option is uncovered where the party writing the option does not hold the underlying security which may be purchased (called) or sold (put) pursuant to the option. No futures or options position will be established which would create an effective portfolio duration or other risk exposure outside the parameters described herein. Futures and options may also be used to hedge interest rate risk, to balance duration, and to synthetically create exposure to certain securities. The Fund may also invest in Euro deposits and currencies traded on a locally accredited exchange.

Forward foreign currency contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Euro for a certain amount of US Dollars - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into. Forward foreign currency contracts may be bought or sold in either deliverable or non-deliverable form.

A credit default swap is a financial contract (which can trade bilateral or be cleared) under which the protection buyer pays a periodic fee, usually expressed in basis points per annum on the notional amount, in return for a payment by the protection seller contingent on the occurrence of a credit event, such as a bankruptcy, default, or restructuring, with respect to a reference entity. The reference entity is not a party to the credit default swap. The credit events and applicable settlement mechanism used to determine the contingent payment are negotiated between the counterparties at time of trading. Once the credit event has been declared, the protection buyer has the right to settle the contract. Settlement is usually physical, with the protection buyer having the right to deliver bonds of the reference entity up to the notional amount of the contract. In return, the protection buyer receives the par value of those obligations. It is not necessary for the protection buyer to suffer an actual loss to be eligible for compensation if a credit event occurs. Selling protection is the synthetic equivalent of buying a bond or alternative form of debt. Under an interest rate swap the parties agree to exchange a fixed interest payment for a floating interest payment, based on an agreed notional amount. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses to the Fund. Credit default swaps will be used for managing issuer exposures and the overall credit risk of the portfolio.

The counterparties to swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund. Interest rate swaps and futures may be used to manage yield curve exposures and to manage the duration of the portfolio of the Fund by altering the interest rate exposure of the portfolio. Interest rate swaps and futures may also be used for interest rate hedging.

The Fund may acquire equity interests in the form of stock, warrants or options to acquire equity interests or as part of a restructuring or reorganisation of and in exchange for existing debt investments. For the avoidance of doubt, any of the securities in which the Fund invests which are not listed or traded on a Recognised Market will be subject to an aggregate limit of 10% of the Net Asset Value of the Fund.

The bond and loan instruments in which the Fund invests are generally expected to be rated below investment grade at the time of investment. Sub-investment grade investments are rated below BBB- by Standard & Poor's ("**S&P**") or Baa3 by Moody's Investors Services, Inc. ("**Moody's**"). If a bond or loan is unrated its credit rating for the purposes of the investment objective of the Fund will be as determined by the Investment Manager, in its sole discretion.

The Fund may also invest in cash and short-term investments in any currency that are rated investment grade by a nationally recognized statistical rating organization including, but not limited to, obligations of any AAA rated European government or any agency or instrumentality thereof, deposits in banks or banking institutions, and money market instruments (including, but not limited to, prime commercial paper, high grade short-term corporate obligations and repurchase agreements with respect to these instruments). During periods of adverse market or economic conditions or at other times deemed advisable by the Investment Manager, the Fund may hold a significant portion of its assets in money market instruments, which may comprise cash, fixed term deposits, fixed and floating rate instruments including (but not limited to) certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper, government bonds, corporate bonds and asset backed securities which may be acquired for ancillary liquid asset purposes. This could prevent the Fund from achieving its investment objective.

The Fund may invest its cash balances in regulated money market or short term bond funds that are domiciled in the EEA, Jersey, Guernsey, the Isle of Man or the United States, and will be UCITS funds or alternative investment funds which are equivalent to UCITS, including those sponsored or managed by the Investment Manager or any of its affiliates. The Fund will not be reimbursed for any

management fees accruing to the Investment Manager or any of its affiliates in respect of any such investment. The Fund will not invest more than 10% of its net assets in aggregate in money market or short term bond funds. Any manager of any investment fund in which the Fund invests, which is an affiliate of the Investment Manager, will waive any preliminary/initial sales charge which it is entitled to charge in respect of investments made by the Fund in that investment fund. Where the Investment Manager receives any commission by virtue of investing in an investment fund on behalf of the Fund, such commission will be paid into the assets of the Fund.

The Fund may also invest in illiquid securities, such as privately placed debt securities and securities which have legal or contractual restrictions on resale or which are not readily marketable within or outside of the United States. However, such securities are limited to 10% of the Fund's NAV at the time of purchase.

The Fund may engage in the sale and repurchase of any of the securities in its portfolio for efficient portfolio management purposes only, as described in Appendix C of the Prospectus. The Fund's maximum exposure to repurchase agreements will be 100% of its net assets. However, it is not currently expected that the Fund's use of repurchase agreements would exceed 50% of its net assets.

The Fund does not currently intend to engage in total return swaps.

There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. Investors should carefully assess the risks associated with an investment in the Fund. See "Risk Considerations" in the Prospectus and below.

Investment Restrictions

- A. Issuer Limit: Not more than 5% of the NAV of the Fund will be invested in the debt obligations of a single corporate issuer.
- B. Sector Limit: Not more than 20% of the NAV above the exposure of the Benchmark will be invested in the debt obligations of any one industry (as defined by the Investment Manager).
- C. Currency limit: The Fund's unhedged foreign currency exposure on its assets will be limited to 10% of the Fund's NAV. For purposes of this limitation, cross-hedged positions will be treated as hedged.

All percentage limitations described herein will be measured at the time of purchase and may be exceeded due to factors such as downgrades and market movements.

Please also refer to the "Investment Restrictions" at Appendix D of the Prospectus for more information with regard to investment restrictions of the Fund.

ESG Considerations

The Fund seeks to avoid investing in issuers that engage in activities that are not in compliance with certain socially-responsible investment criteria set forth by PGIM Fixed Income's environmental, social and governance committee (the "**ESG Committee**") and such issuers the "**Ineligible ESG Investments**"). The list of the Ineligible ESG Investments (the "**Ineligible ESG Investment List**") will be updated periodically and subsequently reviewed by the ESG Committee.

The Investment Manager will use its reasonable efforts to monitor the Ineligible ESG Investment List to ensure that the Fund does not invest in an Ineligible ESG Investments, however none of the Investment Manager or its partners, employees or affiliates represent or warrant that the Ineligible ESG Investments List represents a complete list of all companies engaged in activities that are not in compliance with the socially-responsible investment criteria set forth by the ESG Committee. Further details in respect of the socially-responsible mandate are available upon request.

Borrowing and Leverage

The Fund may be leveraged through the use of derivatives. The Fund's resulting global exposure will not exceed its total net assets, i.e. the Fund may not be leveraged in excess of 100% of its Net Asset Value, through the use of derivatives. The Company will use the commitment approach to calculate the global exposure of the Fund, as described in detail in the risk management process document of the Company.

The Fund will be subject to the borrowing restrictions pursuant to the UCITS Regulations, as set out in the section entitled "Borrowing Policy" in the Prospectus.

SUB-INVESTMENT MANAGER

Pursuant to the Sub-Investment Management Agreement, the Investment Manager has delegated certain of its functions, discretions, duties and obligations, including but not limited to the discretionary management of certain of the assets of the Fund to the Sub-Investment Manager.

The Sub-Investment Manager is an affiliate of the Investment Manager, is authorised and regulated by the Financial Conduct Authority of the United Kingdom and is a registered investment adviser under the Advisers Act. The Sub-Investment Manager is engaged in the business of providing asset management services to institutional clients through two principal operating divisions: the real estate investment management business and the fixed income investment management business.

INVESTOR PROFILE

The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The typical investors of the Fund are expected to want to take an exposure to a diversified portfolio consisting primarily of high yield bonds that are originated in the European bond markets. These securities will largely be a mix of fixed and floating rate instruments that are rated below investment grade and which are listed or traded on Recognised Markets globally. Sub-investment grade investments are rated below BBB- by Standard & Poor's ("**S&P**") or Baa3 by Moody's Investors Services, Inc. ("**Moody's**"). The typical investors of the Fund are prepared to accept the risks associated with an investment of this type, which may include the risk of high volatility.

RISK CONSIDERATIONS

There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. Investors should be aware of the risks of the Fund including, but not limited to, the risks described in the "Risk Considerations" section of the Prospectus and below. An investment in the Fund is suitable only for persons who are in a position to take such risks.

Furthermore, any guideline restrictions referenced in this Supplement or the Prospectus (including rating, industry concentration, duration and ESG restrictions) may adversely impact the performance of the Fund.

Credit Risk of Lower-Rated Debt Securities

Investors normally expect to be compensated in proportion to the risk they are assuming. Debt of companies with poor credit usually offer higher yields than those of companies with better credit. Higher-rated bond securities offer lower credit risk, but not lower interest rate risk. The value of a higher-rated investment can also fluctuate in response to changes in interest rates.

The Fund's debt securities are mainly below investment grade in quality. The Fund will not necessarily sell an investment if its rating is reduced. A reduction in an investment's rating will generally cause its value to decline.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of ever attaining any real investment standing. The lower ratings of these bond securities reflect a greater possibility that the issuing companies may be unable to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the bond securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

Credit ratings are based largely on the issuing company's historical financial condition and the rating agencies' investment analysis at the time of purchase. The rating assigned to any particular investment does not necessarily reflect the issuing company's current financial condition and does not reflect an assessment of an investment's volatility or liquidity.

Although the Investment Manager considers credit ratings in making investment decisions, it performs its own investment analysis and does not rely only on ratings assigned by the rating agencies. The Investment Manager seeks to minimise the risks of debt securities through careful analysis of such factors as a company's experience, managerial strength, financial condition, borrowing requirements and debt maturity schedule. When the Fund buys debt securities of a company with poor credit, the achievement of its objectives depends more on the Investment Manager's ability to analyse credit risks than would be the case if the Fund were buying debt securities of a company with better credit.

Because the likelihood of default is higher for the lower-rated debt securities in which the Fund mainly invests, the Fund is more likely to have to participate in various legal proceedings or to take possession of and manage assets that secure the issuing company's obligations. This could increase the Fund's operating expenses and decrease its Net Asset Value.

At times the Fund, either by itself or together with other Funds and accounts managed by the Investment Manager or its affiliates, may own all or most of the debt securities of a particular issuing company. This concentration of ownership may make it more difficult to sell, or set a fair value on, these debt securities.

Although they are generally thought to have lower credit risk, the Fund's investment-grade debt securities may share some of the risks of lower-rated debt securities.

OTHER RISKS

Investing in Developing Europe

The Fund may have investments in countries that are not part of the G8 (the "G8" countries are Canada, France, Germany, Great Britain, Italy, Japan, Russia and the United States). The economies of such countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Business entities in countries outside of the G8 have only a limited history of operating in a market-oriented economy, and the ultimate impact of such countries' attempts to move toward more market-oriented economies is currently unclear. The social and economic difficulties resulting from local corruption and crime could adversely affect the value of the Fund's investments. Certain countries outside of the G8 have been developing a body of real property, securities and tax laws and laws governing corporations and other business entities. Such legal structures governing private and foreign investment and private property, where they have been implemented, are new. Laws may not exist to cover all business and commercial relationships or to protect the holders of interests in equity or debt securities adequately. Laws, regulations, and legal interpretations in less developed European countries can change quickly and unpredictably in a manner far more volatile than in the more developed European countries. These changes could materially and adversely affect the Fund's investments.

DIVIDEND POLICY

Investors should note that both Distribution Class Shares and Accumulation Class Shares are available in respect of the Fund.

Distribution Class Shares

The Company intends that all of the net investment income, if any, of the Fund attributable to the Distribution Class Shares will be declared as a dividend on or about the last day of each calendar quarter and paid to the Shareholders of record of the Fund within ten (10) Business Days of each calendar quarter end. Realised gains net of realised and unrealised losses of the Fund attributable to the Distribution Class Shares are expected to be retained by the Fund. The Directors nevertheless retain the right to declare dividends in respect of such capital gains in their sole discretion.

Each dividend declared by the Fund on the outstanding Shares of the Fund will, at the election of each Shareholder, be paid in cash or in additional Shares of the Fund. This election should initially be made on a Shareholder's Subscription Agreement and may be changed upon written notice to the Fund at any time prior to the record date for a particular dividend distribution. If no election is made, all dividend distributions will be paid in the form of additional Shares of the same Class. Such reinvestment will be made at the Net Asset Value per Share of the Fund as of the last Dealing Day of each calendar quarter.

Upon the declaration of any dividends to the holders of Shares of the Fund, the Net Asset Value per Share of the Distribution Class Shares of the Fund will be reduced by the amount of such dividends. Payment of the dividends will be made as indicated on a Shareholder's Subscription Agreement, as amended from time to time, to the address or account indicated on the register of Shareholders. For the avoidance of doubt, no dividends will be paid at times when the redemption of Shares or the calculation of NAV per Share is suspended for any reason specified in the Prospectus.

Any dividend paid on a Share of the Fund that has not been claimed within six years of its declaration will be forfeited and will be paid for the benefit of the Fund. No interest will be paid on any dividend.

Accumulation Class Shares

The Directors do not currently intend to declare any dividends in respect of the Accumulation Class Shares. Accordingly, net investment income on the Fund's investments attributable to the Accumulation Class Shares is expected to be retained by the Fund, which will result in an increase in the Net Asset Value per Share of the Accumulation Class Shares.

The Directors nevertheless retain the right to declare dividends in respect of such net investment income on the Fund's investments attributable to the Accumulation Class Shares in their sole discretion. In the event that the Directors determine to declare dividends in respect of the Accumulation Class Shares in the Fund, Shareholders will be notified in advance of any such change in the dividend policy (including the date by which dividends will be paid and the method by which dividends will be paid) and full details will be disclosed in an updated Supplement.

FEES AND EXPENSES

The following fees and expenses apply in respect of the Fund. Please see also "Fees and Expenses" in the Prospectus.

In consideration for the Management Fee, the Investment Manager, among other things, is responsible for and must pay, or cause to be paid, its ordinary office overhead expenses incurred in rendering its services to the Fund and the Company, which include rent, supplies, secretarial expenses, stationery, charges for furniture and fixtures, payroll taxes, travel expenses and compensation of investment personnel and other personnel.

The Fund pays all of its own operating expenses and bears its pro rata share of the operating expenses of the Company which may be incurred by the Fund, the Company, the Investment Manager or their respective affiliates, including, but not limited to, the following expenses: (i) external legal, accounting, auditing, and other professional expenses; (ii) administration fees and expenses; (iii) certain insurance expenses; (iv) research expenses (including research-related travel), (v) custodial and at normal commercial rates sub-custodial fees and expenses, (vi) transfer agent and registrar fees; (vii) the cost of valuation services; (viii) company secretarial fees, (ix) the cost of preparing, printing, publishing, translating and distributing (in such languages as may be necessary) prospectuses, supplements, annual reports, financial statements, notices and other documents or information to current and prospective Shareholders (including the costs of developing and enhancing computer software and electronic transmission techniques to distribute such documents or information), (x) the expense of publishing price and yield information in relevant media, (xi) the costs and expenses of obtaining and/or maintaining bank services; (xii) the costs and expenses of obtaining and/or maintaining authorisations or registrations with the regulatory authorities in any jurisdiction, including any levy applied by the Central Bank; (xiii) the cost of listing and maintaining a listing on any stock exchange, (xiv) marketing and promotional expenses; (xv) Directors' fees, (xvi) the cost of convening and holding Directors' and Shareholders' and other meetings; (xvii) all expenses arising in respect of the termination or liquidation of the Company or the Fund; (xviii) establishment and organizational expenses; (xix) the Management Fee; (xx) litigation or other extraordinary expenses; (xxi) investment expenses such as commissions and brokerage fees (including fees related to negotiation of commissions and brokerage fees); (xxii) interest on margin accounts and other indebtedness; (xxiii) taxes, including without limitation, withholding, net income, franchise, valued added, stamp and transfer taxes, along with any interest and penalties thereon or other additions to such taxes and (xxiv) other expenses related to the purchase, sale, monitoring or transmittal of the Fund's or Company's assets as will be determined by the Board of Directors in its sole discretion.

The Administrator and Depositary will be entitled to receive a combined fee accrued daily and payable monthly in arrears of up to 0.06% per annum calculated as a percentage of the Net Asset Value of the Fund, for the provision, respectively, of fund accounting, trustee and custody services to the Fund. The fees and transaction charges of any sub-custodian from time to time appointed by the Depositary shall be charged to the relevant Fund at normal commercial rates. The Fund may be subject to a combined minimum fee in respect of fund accounting, trustee and custody services of up to \$2,500 per month.

Organizational expenses of the Fund, including expenses incurred in the formation of the Fund and the offering of Shares, were borne by the Fund.

Investment Management Fees

The Investment Manager will receive a management fee (the "**Management Fee**") in respect of each class (other than the EUR II Accumulation Class Shares) for management services to the Fund. The Management Fee will be at the annualized rate set out in the table above. The Management Fee is accrued daily and paid monthly, in arrears.

For purposes of calculating the Management Fee for any Business Day, the NAV of the Fund attributable to a class is determined by or under the direction of the Directors, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

Notwithstanding the foregoing, the Investment Manager may, in its sole discretion, during any period, elect to waive a portion of its fees with respect to the Fund or any Class without notice to Shareholders. In addition, the Fund may issue Shares of a separate Class that may calculate the management fee differently or charge a lower management fee.

Notwithstanding anything to the contrary herein, no Management Fee will be paid with respect to the EUR II Accumulation Class Shares. It should be noted that subject to the approval of the Investment Manager, the EUR II Accumulation Class Shares will only be available for subscription by certain feeder funds and other institutional investors who have entered into separate fee agreements with the Investment Manager or its affiliates.

The Investment Manager may, at its discretion, contribute directly towards the expenses attributable to the operations of the Fund and/or the marketing, distribution and/or sales of Shares and the Investment Manager may from time to time at its sole discretion waive part of the Management Fee in respect of any particular payment period.

Sales Charge

There will be no sales charge applicable to the Fund.

Redemption Charge

There will be no redemption charge applicable to the Fund.

Swing Pricing

The actual cost of purchasing investments may be higher or lower than the value used in calculating the Net Asset Value. These costs may include dealing charges, commission and transaction charges and the dealing spread and may have a materially disadvantageous effect on a Shareholder's interest in the Fund. To prevent this effect, known as "dilution", the Directors may determine, at their discretion, to adjust ("swing") the Net Asset Value per share of the Fund, in the circumstances set out in the "Fees and Expenses" section of the Prospectus.

SUBSCRIPTION AND REDEMPTION OF SHARES

Eligible Investors

The Company and the Administrator reserve the right to reject in whole or in part any application for Shares. Where an application for Shares is rejected, the subscription monies will be returned to the applicant within fourteen (14) days of the date of such application at the applicant's cost and risk and no interest or other compensation will be payable in respect of such returned monies.

Prospective U.S. Investors will have to meet certain conditions set forth in the Prospectus under "Subscription for Shares", the satisfaction of which shall be determined by the Sub-Investment Manager, in its sole discretion.

Minimum Subscription

The minimum initial and additional subscription for each class of Share is set out on page 4 of this Supplement, unless otherwise determined by the Company or the Investment Manager.

Minimum Holding

A Shareholder may not make a partial redemption of Shares which would result in less than the minimum holding amount, specified for the relevant class of Shares on page 4, (or its Class Currency equivalent) unless otherwise determined by the Company.

In the event that a Shareholder requests a partial redemption of their Shares which would result in such Shareholder holding less than the minimum holding amount above, the Company may, in its sole discretion (a) treat such redemption request as a redemption of the relevant Shareholder's entire holding of the relevant Class of Shares; (b) reject such partial redemption request; or (c) accept such partial redemption request. The relevant Shareholder will be notified before or after the relevant Dealing Day in the event that the Company determines to (i) treat such redemption request as a redemption of the relevant Shareholder's entire holding of the relevant Class of Shares or (ii) reject such partial redemption request.

Where the value of a Shareholder's Shares has fallen below the minimum holding requirement due to a decline in the NAV of the Fund or an unfavourable change in currency rates, this will not be considered to be a breach of the minimum holding requirement.

Initial Offer Price

Shares in the following Classes will initially be available on each Dealing Day at the fixed price as set out below. Once issued, such Classes will be available at the relevant Net Asset Value on each Dealing Day for the applicable Class on the terms and in accordance with the procedures described herein.

Share Class Description	Initial Offer Price *
A Share Classes	
CHF-Hedged A Accumulation	CHF 100
EUR A Accumulation	EUR 100
GBP-Hedged A Distribution	GBP 100
NOK-Hedged A Accumulation	NOK 1,000
USD-Hedged A Accumulation	USD 100
I Share Classes	
AUD-Hedged I Accumulation	AUD 100
CAD-Hedged I Accumulation	CAD 100
CHF-Hedged I Accumulation	CHF 100
EUR II Accumulation	EUR 100
EUR I Distribution	EUR 100
GBP-Hedged I Accumulation	GBP 100
GBP-Hedged I Distribution	GBP 100
NOK-Hedged I Accumulation	NOK 1,000
SEK-Hedged I Accumulation	SEK 1,000
USD-Hedged I Distribution	USD 100
Yen-Hedged I Accumulation	YEN 10,000
Yen-Hedged I Distribution	YEN 10,000
P Share Classes	
CHF-Hedged P Accumulation	CHF 100
EUR P Accumulation	EUR 100
GBP-Hedged P Distribution	GBP 100
USD-Hedged P Accumulation	USD 100

*Where a Class is launched after the initial launch of the Fund, the initial offer price of that Class may be adjusted to reflect any adjustment (“swing”) to the Net Asset Value per share of the Fund on the relevant Dealing Day, as set out under “Swing Pricing” above.

Subscription monies must be paid in the Class Currency and must be paid by wire transfer to the bank account of the Administrator.

Applications for Shares

Applications for Shares in the Fund should be made by written application using the Subscription Agreement available from the Administrator. Subscription Agreements, duly completed together with all supporting documentation in relation to money laundering prevention checks, should be sent to the Administrator, in accordance with the instructions contained in the Subscription Agreement, prior to the Subscription Cut-Off Time. Subscription Agreements may be sent by facsimile, email or electronic means (e.g. via clearing platform/SWIFT trading) provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent to the Administrator by post immediately thereafter. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile, email or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator.

Cleared funds representing the subscription monies must be received by the Company by the third Business Day following the relevant Dealing Day (or such other period as the Directors may determine). If cleared funds representing the subscription monies are not received by the Company by the third Business Day following the relevant Dealing Day, or such other day as is determined by the Directors from time to time, the Directors reserve the right to reject the subscription and/or cancel the provisional allotment of Shares, as appropriate. In such an event the investor will indemnify the

Company, the Investment Manager, the Administrator and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In the event that the Directors decide not to cancel a provisional allotment of Shares notwithstanding that cleared funds have been received by the Company after the relevant cut-off time, the Directors reserve the right to charge interest on such subscription monies at prevailing interest rates commencing on the fourth Business Day following the relevant Dealing Day. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Directors may, in their sole discretion, redeem any Shares held by the Shareholder in the Company and apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the Company, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Redemption of Shares – Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax" in the Prospectus.

The Company or the Administrator may, in its sole discretion, reject any subscription in whole or in part without reason.

Shares in the Fund will be issued on the terms and in accordance with the procedures described in the Prospectus.

Redemption Applications

If Redemption Applications on any Dealing Day exceed 10% of the NAV of the Fund, or such higher percentage as the Directors may determine in their sole discretion in respect of any Dealing Day (the "**Ten Percent Amount**"), the Company may (i) reduce all such Redemption Applications pro rata (in accordance with the size of the Redemption Applications so that Shares redeemed on such Dealing Day, in aggregate, represent only the Ten Percent Amount) and (ii) defer Redemption Applications in excess of the Ten Percent Amount to subsequent Dealing Days, subject to any Ten Percent Amount applicable on any such Dealing Day. Any deferred Redemption Applications will not have priority on any subsequent Dealing Day over other Redemption Applications received on subsequent Dealing Days from Shareholders. Except at the sole discretion of the Company, any such deferred Redemption Application may not be revoked.

Shareholders may request that Shares be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator in accordance with the procedures set out in the Prospectus. Redemption Applications will generally not be accepted after the Redemption Cut-Off Time. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable Dealing Day, unless the Directors determine in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the earliest relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day.

Shares will be redeemed at the applicable NAV per Share on the Dealing Day as of which the redemption is effected, subject to any applicable fees associated with such redemption. Subject to any provisions contained herein, distributions in respect of redemptions will be paid in full (on the basis of unaudited data) in the applicable Class Currency of the Shares being redeemed normally within three Business Days after the relevant Dealing Day and in any event will not exceed ten (10) business days. All payments will be made by transfer to the bank account previously designated by Shareholders for such purpose.