Merrill Lynch Investment Solutions

MERRILLLYNCH INVESTMENTSOLUTIONS

(the“Company”, an umbrella investment company with variable share capital incorporated in the GrandDuchy of Luxembourg)

Prospectus dated September2017

IMPORTANT INFORMATION

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS AND THE SUPPLEMENTS RELATING TO THE SUB-FUNDS, THEN YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, LAWYER, ACCOUNTANT OR OTHER FINANCIAL ADVISER AUTHORISED TO PROVIDE INDEPENDENT ADVICE ON THE ACQUISITION OF SHARES AND OTHER SECURITIES UNDER THE APPLICABLE LOCAL LAW.

The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters and prospective investors are recommended to consult their own professional advisers for any advice concerning the acquisition, holding or disposal of any Shares.

Before making an investment decision with respect to any Shares, prospective investors should carefully consider all of the information set out in this Prospectus and the relevant Supplements as well as their personal circumstances. Prospective investors should have regard to, among other matters, the considerations described under the heading "RISK FACTORS" in this Prospectus and the statements set out under the heading "RISK PROFILE" and "SPECIFIC RISK WARNINGS" in the relevant Supplements.

An investment in the Shares is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

General

Shares in the Company are offered on the basis of the information and the representations contained in the current Prospectus accompanied by the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the registered office of the Company. The Company also publishes KIIDs in relation to each Share Class which may be obtained free of charge at the registered office of the Company (copies can be found at http://www.funds-invest.baml.com/tools/kiids). Any further information given or representations made by any dealer, salesman or other person must not be relied upon as being authorised by the Company. Recipients of this document should note that there may have been changes in the affairs of the Company since the date hereof.

Investors must also refer to the relevant Supplements attached to the Prospectus. Each Supplement sets out the specific objectives, policy and other features of the relevant Sub-Fund to which the Supplement relates as well as risk factors and other information specific to the relevant Sub-Fund. Each prospective investor who is a Permitted US Person to invest in one or more Sub-Funds must also carefully review a United States Supplement (the "US Supplement") to this Prospectus, which is separately provided.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus, the Supplements, the US Supplement (if applicable) and Articles of the Company.

Definitions

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions shall bear the respective meanings ascribed thereto under the heading "DEFINITIONS".

Investment Risks

There can be no assurance that the Company will achieve its investment objectives in respect of any Sub-Fund. An investment in the Company involves investment risks including those set out under the heading "RISK FACTORS" and as may be set out in the relevant Supplements. The risk profile of investors in a particular Sub-Fund will be specified in the relevant Supplement.

Any investment in any Sub-Fund should be viewed as a medium to long-term investment (depending on the specific investment objective of the relevant Sub-Fund). Shares may however be redeemed on each Dealing Day.

The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive the amount that they originally invested in any Class of Shares or any amount at all.

Selling Restrictions

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or lawful. Persons receiving a copy of this Prospectus in any jurisdiction may not treat this Prospectus as constituting an offer, invitation or solicitation to them to subscribe for Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. **Prospective investors should refer to section 19 in order to know the selling restrictions applicable in certain jurisdictions.**

Prospective investors may subscribe for Shares by completing the applicable application form which will be available from the Administrative Agent and/or, if applicable, the Global Distributor or other distributor named in the Prospectus or the relevant Supplement.

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the states of the United States and the Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended, or the laws of any of the states of the United States. Accordingly, no securities regulatory authority or commission in the United States, including the US Securities and Exchange Commission, has passed upon the value of the Shares, made any recommendations as to their purchase, approved or disapproved of the offering of Shares for sale, or passed upon the adequacy of this Prospectus or any Supplement. Any contrary representation is a criminal offence.

The Shares may not be offered, sold or pledged or otherwise transferred directly or indirectly in the United States or to or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to the requirements of, the Securities Act and any applicable US state securities laws and to Permitted US Persons. To constitute an offer to any Permitted US Person, this Prospectus must be accompanied by the US Supplement. There is no public market for Shares, and no such market is expected to develop in the future. The Shares are subject to restrictions on transferability and may not be transferred or re-sold except as permitted under the Securities Act and any other applicable securities laws pursuant to registration or exemption therefrom to Permitted US Persons. In the absence of an exemption or registration, any resale or transfer of any of the Shares in the United States or to US Persons that are not Permitted US

Persons may constitute a violation of US law. Purchasers of Shares should be aware that they may be required to bear the financial risks of an investment in the Shares for an indefinite period of time.

Permitted US Persons should read the US Supplement for a discussion of certain tax and other considerations (see paragraph 14.8 below).

Each applicant for Shares must certify that it is, among other things, acquiring the Shares purchased by it for investment purposes and not with a view to, or for offer or resale in connection with, any distribution in violation of the Securities Act or other applicable securities law, and that it meets the suitability requirements set forth in the applicable subscription documents.

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MANAGEMENT AND ADMINISTRATION

Registered Office

49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

BOARD OF DIRECTORS OF THE COMPANY

Chairman

Jean-Claude Wolter
Avocat Honoraire
11 B, boulevard Joseph II
L-1840 Luxembourg
Grand-Duchy of Luxembourg

Members

Paul Guillaume
Managing Partner
Altra Partners S.A.
370, route de Longwy
L-1940 Luxembourg
Grand-Duchy of Luxembourg

Philippe Lopategui
Managing Director
Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Thomas Nummer
TRINOVA S.A.
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

MANAGEMENT COMPANY

CM Investment Solutions Limited
Bank of America Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
United Kingdom

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Members

Simon Greenwell
Managing Director
Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Gavin Lay
Managing Director
Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Charles Peters
Managing Director
Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

DEPOSITARY

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

ADMINISTRATIVE AGENT

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

PAYING AGENT

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

DOMICILIARY AGENT

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

GLOBAL DISTRIBUTOR

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

INVESTMENT MANAGER

(please refer to the Supplement of the relevant Sub-Fund)

LISTING AGENT

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

LEGAL ADVISER

Arendt & Medernach S.A.
41A, avenue John F. Kennedy
L-2082 Luxembourg
Grand-Duchy of Luxembourg

AUDITORS OF THE COMPANY

PricewaterhouseCoopers *Société coopérative*
2, rue Gerhard Mercator
L-2182 Luxembourg
Grand-Duchy of Luxembourg

AUDITORS OF THE MANAGEMENT COMPANY

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT
United Kingdom

1. Definitions

In this Prospectus, the following defined terms shall have the following meanings:

"Administrative Agent"	Means State Street Bank Luxembourg S.C.A., with its registered office at 49 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg acting as Administrative Agent, Domiciliary and Corporate Agent, Paying Agent, Registrar and Transfer Agent and Listing Agent;
"Administration Agreement"	Means the administration agency, domiciliary, corporate and paying agency, registrar and transfer agency and listing agency agreement dated 17 February 2015 between the Company, the Management Company and the Administrative Agent as amended, supplemented or otherwise modified from time to time;
"Administrative and Operating Fee"	Means the fee received by the Management Company in respect of each Sub-Fund and covering the fees and expenses connected with the establishment, management and operation of the Sub-Fund, as further described in section 12 of the Prospectus and each Supplement;
"Anti-Dilution Levy"	Means an extra charge that may be levied by the Company on investors subscribing or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions, as further described in section 15 of the Prospectus;
"Articles" or "Articles of Association"	Means the articles of association of the Company as the same may be amended, supplemented or otherwise modified from time to time;
"Bank of America"	Means Bank of America Corporation, a bank holding company and a financial holding company incorporated under the laws of the State of Delaware, USA in 1998. Bank of America provides a diversified range of banking, investing, asset management and other financial services and products to consumers across the United States and in more than 40 countries. Bank of America provides these services and products through three business segments: (1) Global Consumer and Small Business Banking, (2) Global Corporate and Investment Banking, and (3) Global Wealth and Investment Management;
"Banking Day"	Unless otherwise stated in the relevant Supplement, means any day on which banks are open for business in: – Luxembourg and London for the Merrill Lynch Sub-Funds, and – Luxembourg, London and the United States for all other Sub-Funds, except for 24 December and such other days as the Board of Directors may decide or for such days as may be specified in the Supplement for a specific Sub-Fund; in particular, for Sub-Funds that invest a substantial amount of assets outside the European Union, the Board of Directors may take into account whether the relevant local exchanges are open, and can elect to treat such closures as non-Banking Days. The Company shall endeavour to notify the Shareholders of such cases in advance via a publication at www.funds-invest.baml.com/tools/legaldocuments;
"Base Currency"	Means the currency in which a Sub-Fund is denominated;
"Benefit Plan Investor"	Means (a) any "Employee Benefit Plan" subject to Part 4 of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) any "Plan" subject to Section 4975 of the US Internal

	Revenue Code of 1986, as amended (the "US Tax Code"), (c) any entity whose underlying assets include plan assets by reason of investment in such entity by an Employee Benefit Plan or Plan and (d) any entity whose assets are subject to any federal, state or municipal law within the US which contains any rules or requirements similar to those in Part 4 of Title I of ERISA or Section 4975 of the US Tax Code ("**Similar Law**").
"Board of Directors"	Means the board of directors of the Company;
"CFTC"	Means the US Commodity Futures Trading Commission;
"Class"	Means a Class or Classes of Shares relating to a Sub-Fund for which specific features with respect to fee structures, distribution, marketing target or other specific features may be applicable. The details applicable to each Class will be described in the relevant Supplement and at www.funds-invest.baml.com/tools/legaldocuments;
"Clearstream"	Means Clearstream Banking, société anonyme;
"Company"	Means Merrill Lynch Investment Solutions, a limited company incorporated as an investment company with variable capital under the laws of the Grand Duchy of Luxembourg and registered pursuant to Part I of the Law of 17 December 2010;
"Company Act"	Means the US Investment Company Act of 1940, as amended;
"CRS"	Means the Common Reporting Standard for Automatic Exchange of financial account information in tax matters as set out in the CRS Law;
"CRS Law"	Means the Luxembourg Law dated 18 December 2015 on the Common Reporting Standard implementing the Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation;
"CSSF"	Means the Commission de Surveillance du Secteur Financier, Grand Duchy of Luxembourg;
"CSSF Circular 02/77"	Means the CSSF Circular 02/77 relating to the protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules applicable to UCIs, as may be amended, supplemented or updated from time to time;
"CSSF Circular 08/356"	Means the CSSF Circular 08/356 relating to "Rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments", as may be amended, supplemented or updated from time to time and in particular by CSSF Circular 11/512;
"CSSF Circular 11/512"	Means the CSSF Circular 11/512 concerning the presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, further clarifications from the CSSF on risk management rules and the definition of the content and format of the risk management process to be communicated to the CSSF, as may be amended, supplemented or updated from time to time;
"CSSF Circular 14/592"	Means the CSSF Circular 14/592 relating to the ESMA Guidelines on ETFs and other UCITS issues, as may be amended, supplemented or updated from time to time;

“CSSF Regulation 10-4”	Means the CSSF Regulation 10-4 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company into Luxembourg law, as may be amended, supplemented or updated from time to time;
“Dealing Day”	Means in relation to each Sub-Fund, the Valuation Day on which Shares in an existing Class of Shares in an existing Sub-Fund can be subscribed, redeemed or converted, as specified in the relevant Supplement;
“Dealing Deadline”	Means in relation to any Dealing Day, the time by which a written request for subscription, redemption or conversion of Shares must be received by the Registrar and Transfer Agent;
“Defined Investment Term”	Means, in respect of each relevant Sub-Fund, the predefined investment term for which that Sub-Fund has been set up and as determined in the Supplement of that Sub-Fund;
“Depositary”	Means State Street Bank Luxembourg S.C.A., with its registered office at 49 avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
“Depositary Agreement”	Means the agreement dated 18 March 2016 between the Company and the Depositary as amended, supplemented or otherwise modified from time to time;
“Directive 2013/34/EU”	Means Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as amended from time to time;
“Directors”	Means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
“Distribution Fee”	Means the fee received by the Management Company in respect of each Sub-Fund and covering the marketing expenses related to the Sub-Fund, as further described in section 12 of the Prospectus and each Supplement;
“Domiciliary and Corporate Agent”	Means State Street Bank Luxembourg S.C.A., with its registered office at 49 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
“EU”	Means the European Union;
“EPM”	Means an efficient portfolio management technique selected by the Board of Directors and governed by the CSSF Circular 08/356 and the CSSF Circular 14/592. The EPMs selected by the Board of Directors are SFTs;
“EU Member State”	Means a member state of the EU;
“EUR”	Means Euro, the single currency of the member states of the European Union that have adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union (as may be amended from time to time);
“Euroclear”	Means Euroclear Bank S.A./N.V. as the operator of the Euroclear System;

"FATCA"	Means the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA), and any U.S. Treasury regulations issued thereunder, Internal Revenue Services ("**IRS**") rulings or other official guidance pertaining thereto;
"FATCA Law"	Means the amended Luxembourg law of 24 July 2015 implementing the Model I Intergovernmental Agreement ("**IGA**") signed between Luxembourg and the United States on 28 March 2014;
"FATF"	Means the Financial Action Task Force;
"Financing Transaction(s)"	Means one or more financing transactions entered into by Merrill Lynch Sub-Funds with Reference Asset with First Class Institutions in order to generate interest rate flows;
"First Class Institutions"	Means first class financial institutions selected by the Management Company, subject to prudential supervision and belonging to the categories approved by the CSSF as counterparty for an OTC Derivative transaction (including a total return swap) or an SFT (including an EPM transaction) and specialised in this type of transactions;
"Global Distributor"	Means MLI, with registered office at 2 King Edward Street, London EC1A 1HQ, United Kingdom, a wholly-owned indirectly held subsidiary of Bank of America Corporation;
"Index Sponsor"	Means the index sponsor (if any) as disclosed in the relevant Supplement;
"Initial Offering Period"	Means, in relation to each Sub-Fund and each Class of Shares the first offering of Shares in a Sub-Fund or Class of Shares made at the Initial Subscription Price pursuant to the terms of the Prospectus and the Supplements (it being understood that the Initial Offering Period may be restricted to a single day corresponding to the launch date of the relevant Sub-Fund);
"Initial Offering Period Minimum Subscription Amount"	Means the minimum number of Shares or amount (as appropriate) which must be subscribed/converted for by a Shareholder during the Initial Offering Period;
"Initial Subscription Price"	Means, in relation to each Class of Shares in each Sub-Fund, the amount stipulated in the Prospectus and/or the Supplement relating to such Sub-Fund as the subscription price per Share for the relevant Class of Shares in connection with the Initial Offering Period;
"Institutional Investor"	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the Law of 17 December 2010;
"Investment Advisor"	Means any investment advisor appointed by an Investment Manager, as the case may be, to provide investment advice to one or more Sub-Funds or any successor thereof;
"Investment Management Agreement"	Means the investment management agreement in respect of a particular Sub-Fund between the Management Company and the third party Investment Manager as may be amended, supplemented or otherwise modified from time to time with respect to certain Sub-Funds;
"Investment Instruments"	Means transferable securities and all other liquid financial assets referred to in section 6.1 of the Prospectus;

"Investment Management Fee"	Means the investment management fee received by the Investment Manager in respect of each Sub-Fund;
"Investment Manager"	Means either the Management Company or such person or persons from time to time appointed by the Management Company as the third party investment manager to a particular Sub-Fund pursuant to the Investment Management Agreement and disclosed in the relevant Supplement;
"KIID"	Means the key investor information document in relation to each Share Class of each Sub-Fund;
"Law of 17 December 2010"	Means the law dated 17 December 2010 on undertakings for collective investment or any legislative replacement or amendment thereof;
"Listing Agent"	Means State Street Bank Luxembourg S.C.A., with its registered office at 49 avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
"Management Company"	Means CM Investment Solutions Limited, a limited company incorporated in the United Kingdom on 23 December 2013 authorised by the United Kingdom Financial Conduct Authority ("**FCA**") to act as a UCITS management company in accordance with the UCITS Directive;
"Management Company Agreement"	Means the management company agreement dated 17 February 2015 between the Company and the Management Company as may be amended from time to time;
"Market Disruption Event"	Means any of the following events:

(a) it is not possible to obtain a price or value (or an element of such price or value) of a substantial proportion of a Sub-Fund's Assets or the Reference Asset(s) (or any component thereof) according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(b) the calculation of the price or value of a substantial proportion of a Sub-Fund's Assets or the Reference Asset(s) (or any component thereof) is, at the relevant time impractical or impossible to make;

(c) there is a significant reduction in liquidity in a substantial proportion of a Sub-Fund's Assets or the Reference Asset(s) (or any component thereof);

(d) there exists an event or circumstance that prevents or materially limits transactions in any Sub-Fund Asset or Reference Asset (or any component thereof);

(e) any suspension of, or limitation is imposed on, trading on any exchanges, quotation systems or over-the-counter market where a substantial proportion of a Sub-Fund's Assets or the Reference Asset(s) (or any component thereof) is traded;

(f) where a Sub-Fund's Assets or the Reference Asset(s) (or any component thereof) is not traded on any exchange, quotation system or other similar system and the Board of Directors is unable to obtain (i) from dealers in Sub-Fund's Assets or Reference Asset(s) (or any component thereof) firm quotations in respect thereof or (ii) a subscription or a redemption price of the Sub-Fund's Assets or the

Reference Asset(s) (or any component thereof) according to the rules or normal accepted procedures for such Sub-Fund's Assets or Reference Asset(s) (or any component thereof);

(g) the occurrence of any event that generally makes it impossible or impractical to:

(i) convert the currency of the country of issue and/or country of payment of a substantial proportion of a Sub-Fund's Assets or the Reference Asset(s) (or any component thereof) into the Base Currency of the relevant Sub-Fund through customary legal channels;

(ii) deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of a substantial proportion of the Sub-Fund's Assets or Reference Asset(s) (or any component thereof) to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of a substantial proportion of the Sub-Fund's Assets or Reference Asset(s) (or any component thereof) between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment;

(h) (i) it has or will become illegal or contrary to applicable laws for a derivative counterparty to hold, acquire or dispose of hedge position(s) relating to a relevant transaction (including, without limitation, if the derivative counterparty's hedge positions (in whole or in part) are (or, but for the consequent disposal thereof, would otherwise be) in excess of any allowable position limit(s) in relation to any particular exchange(s) or other trading facility), or

(ii) a derivative counterparty will incur a materially increased cost in (i) performing its obligations under the relevant transaction (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or (ii) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedge position(s) relating to the relevant transaction;

(i) in respect of a relevant Sub-Fund's Asset or Shares, an event beyond the control of the Board of Directors occurs as a result of which the relevant clearance system cannot clear the transfer of such Sub-Fund's Asset or Shares;

(j) a hedging disruption such that the Management Company, the Company and/or any of its Investment Managers is unable to, after using commercially reasonable efforts, or may incur a materially increased amount of tax, duty, expense or fee in order to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Shares of a relevant Class of Shares, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

(k) as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board of Directors, disposal of Sub-Fund's Assets is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;

(l) any period where the dealing of the units/shares of one or more investment vehicle in which any Sub-Fund has invested a significant part of its assets or the calculation of the net asset value of such investment vehicle is restricted or suspended or when a significant proportion of the assets of any Sub-Fund cannot be calculated with accuracy; or

(m) any specific event as described in a Supplement for a particular Sub-Fund.

"Maturity Date"	Means in relation to a Sub-Fund with a Defined Investment Term, the relevant maturity date of the investments of the Sub-Fund and OTC Derivative transactions as stated in the relevant Supplement;
"Maximum Subsequent Subscription Amount"	Means the maximum number of Shares or amount (as appropriate) which can be subscribed/converted for in total by an existing Shareholder on any Dealing Day;
"Merrill Lynch Sub-Funds"	Means the Sub-Funds linked to a Reference Asset and identified as Merrill Lynch Sub-Funds in the relevant Sub-Fund's Supplement;
"Minimum Initial Subscription Amount"	Means the minimum number of Shares or amount (as appropriate) which must be subscribed/converted for by a new Shareholder subscribing after the Initial Offering Period;
"Minimum Redemption Amount"	Means the minimum number of Shares or amount for which Shares may be redeemed;
"Minimum Subsequent Subscription Amount"	Means the minimum number of Shares or amount (as appropriate) which must be subscribed/converted for by an existing Shareholder;
"MLI"	Means Merrill Lynch International, with registered office at 2 King Edward Street, London EC1A 1HQ, United Kingdom, a wholly-owned indirectly held subsidiary of Bank of America.;
"Money Market Instruments"	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
"Net Asset Value" or "NAV"	Means, (i) in relation to the Company, the value of the net assets of the Company, (ii) in relation to each Sub-Fund, the value of the net assets attributable to such Sub-Fund, and (iii) in relation to each Class of Shares in a Sub-Fund, the value of the net assets attributable to such Class of Shares, in each case, calculated in accordance with the provisions of the Articles and the Prospectus of the Company;

“Net Asset Value per Share”, “Shares with a Net Asset Value” and similar expressions	Means the Net Asset Value of the relevant Sub-Fund divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Sub-Fund has more than one Class of Shares in issue, the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class of Shares divided by the number of Shares of such Class in the relevant Sub-Fund which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);
“OECD”	Means the Organisation for Economic Co-operation and Development;
“OECD Member State”	Means any of the member states of the OECD;
“OTC”	Means over-the-counter;
“OTC Derivative”	Means any financial derivative instrument dealt in over-the-counter;
“Paying Agent”	Means State Street Bank Luxembourg S.C.A., with its registered office at 49 avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
“Performance Fee”	Means a fee typically payable to the Investment Manager and based on the appreciation in the value of a Share Class of the relevant Sub-Fund;
“Permitted US Person”	Means, with respect to a Sub-Fund, (i) its Investment Manager, (ii) any principal (as that term is defined in CFTC Rule 3.1) of the Investment Manager, (iii) “knowledgeable employees”, within the meaning of the Company Act, of an Investment Manager, (iv) the child, sibling or parent of any of the persons described in (i), (ii) or (iii), and (v) the spouses of any person described in (i), (ii), (iii), or (iv). Entities that are (i) not formed for the purpose of acquiring Shares and controlled by Permitted US Persons, and (ii) owned solely by Permitted US Persons, also shall be considered Permitted US Persons. Permitted US Persons are required to be the beneficial owner of the Shares, and are prohibited from holding ownership, directly or indirectly, for any other person or entity;
“Prospectus”	Means this sales prospectus relating to the issue of Shares in the Company, as amended from time to time;
“PTR”	Means portfolio turnover rate as determined in accordance with section 5.3 of the Prospectus;
“Reference Asset”	Means a financial asset or investment technique as described in section 5.1 below and as further detailed in the relevant Merrill Lynch Sub-Fund’s Supplement ;
“Reference Currency”	Means the currency in which each Class of Shares in a Sub-Fund is issued and in which the Net Asset Value of such Class of Shares of the relevant Sub-Fund is calculated;
“Register”	Means the register of Shareholders kept pursuant to the Articles;
“Registrar and Transfer Agent”	Means State Street Bank Luxembourg S.C.A., with its registered office at 49 avenue J.F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg;
“Regulated Market”	Means a regulated market, which operates regularly and is recognised and open to the public;
“Repurchase Transaction”	Means a transaction governed by an agreement by which a counterparty transfers securities, or guaranteed rights relating to title to securities where

	that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities or commodities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;
“Restricted Person”	Means any person, determined in the sole discretion of the Board of Directors as being not entitled to subscribe or hold Shares in the Company or any Sub-Fund or Class if, in the opinion of the Directors, (i) such person would not comply with the eligibility criteria of a given Class or Sub-Fund (ii) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage (iii) a holding by such person would cause or is likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company;
“Sales Charge”	Means the sales charge (if applicable) that may be levied by the Management Company, the Global Distributor or the relevant sub-distributor (if any) in relation to the subscription for any Class of Shares in any Sub-Fund, details of which are set out in the Supplement relating to the relevant Sub-Fund;
“Securities Act”	Means the US Securities Act of 1933, as amended;
“Securities Financing Transaction” or “SFT”	Means a securities financing transaction as defined in point (11) of Article 3 of Regulation (EU) No 2015/2365. The SFTs selected by the Board of Directors are either a Repurchase Transaction, a Securities Borrowing Transaction or a Securities Lending Transaction;
“Securities Lending Transaction” and “Securities Borrowing Transaction”	Means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
“Shareholder”	Means a person who is the holder of Shares in the Company;
“Shares”	Means shares in the Company, of such Classes and denominated in such currencies and relating to such Sub-Funds as may be issued by the Company from time to time;
“SRRI” or “Synthetic Risk Reward Indicator”	Means a measure of the riskiness of a Sub-Fund. It is calculated by reference to the volatility of a Sub-Fund’s performance over the last 5 years. Where 5 years’ performance history is not available, the data is supplemented by a proxy fund, benchmark data or a simulated historical series as appropriate. Each Sub-Fund is given an SRRI number from 1 to 7, with 1 being the lowest risk and 7 the highest. Since the SRRI number is calculated using simulated historical performance data, it may not be a reliable indicator of a Sub-Fund’s future risk profile;
“**Stock Exchange**”	Means any stock exchange on which Classes of Shares may be admitted to the official list;

"Sub-Fund"	Means a separate portfolio of assets established for one or more Classes of Shares of the Company which is invested in accordance with a specific investment objective. The specifications of each Sub-Fund will be described in their relevant Supplement;
"Sub-Fund's Assets"	Means the Investment Instruments in which a Sub-Fund directly invests as further described in the relevant Supplement;
"Starting Date"	Means in relation to a Sub-Fund with a Defined Investment Term, the relevant initial starting date of the Sub-Fund and the OTC Derivative transactions as stated in the relevant Supplement;
"Supplement"	Means each and every supplement to this Prospectus describing the specific features of a Sub-Fund. Each supplement is to be regarded as an integral part of the Prospectus;
"Total Return Swap"	Means a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty. Total return swaps entered into by a Sub-Fund may be in the form of funded and/or unfunded swaps. An unfunded swap is a swap where no upfront payment is made by the total return receiver at inception. A funded swap is a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset. Funded swaps tend to be costlier due to the upfront payment requirement;
"UCITS"	Means undertaking for collective investment in transferable securities authorised in accordance with the UCITS Directive;
"UCITS Directive"	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS (recast), as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level;
"UCITS Regulation"	Means the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries;
"United States" or "US"	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
"US Person"	Means (i) any natural person who is a citizen or a resident of the United States, (ii) any partnership, corporation or other entity organized or incorporated in or under the laws of the United States, or which has its principal place of business in the United States, (iii) any estate of which any executor or administrator is otherwise a US Person, or the income of which is subject to US income tax, regardless of source, or (iv) any other "US Person" as such term may be defined in Regulation S under the Securities Act, or within the meaning of any regulations adopted under the US Commodity Exchange Act, as amended, including CFTC Rule 4.7;
"Valuation Day"	Means Banking Days on which the Net Asset Value will be determined for each Class of Shares in each Sub-Fund. Unless otherwise stated in the

relevant Supplement, for each Class of Shares in each Sub-Fund every Banking Day shall be a Valuation Day.

2. The Company

The Company is a public limited liability company incorporated as an investment company with variable capital under the laws of the Grand Duchy of Luxembourg on 5 November 2007 under Part I of the Law of 17 December 2010. The Company is registered with the Luxembourg trade and companies register under the number B133445. Its Articles of Association were published in the *Mémorial, Recueil des Sociétés et Associations* on 30 November 2007 and were last amended by an extraordinary general meeting of the Shareholders dated 22 December 2011 and published in the *Mémorial* on 16 January 2012 under number 123. The Board of Directors may decide to list one or more Classes of Shares of a Sub-Fund on the Luxembourg or any other Stock Exchange as defined in the relevant Supplement.

There is no limit to the number of Shares in the Company which may be issued. Shares will be issued to subscribers in registered form only. Shares shall have the same voting rights and shall have no pre-emptive subscription rights. In the event of the liquidation of the Company, each Share is entitled to its proportionate share of the Company's assets after payment of the Company's debts and expenses, taking into account the Company's rules for the allocation of assets and liabilities.

All Shares carry in principle the same rights. All Shares entitle their holders to vote at Shareholders' meetings, to the exclusion of Shares held by another Sub-Fund of the Company. This vote can be exercised in person or by proxy. Each Share entitles its holder to one vote. The Company will recognise only one person or entity as the holder of a Share. In the event of joint ownership, the Company may suspend the exercise of any right deriving from the relevant Share until one person shall have been designated to represent the joint owners vis-à-vis the Company.

The minimum share capital of the Company must at all times be EUR 1,250,000. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

In case where one or several Sub-Funds of the Company hold Shares that have been issued by other Sub-Funds of the Company, their value will not be taken into account for the calculation of the net assets of the Company for the purpose of the determination of the above mentioned minimum capital.

3. The Sub-Funds and Classes of Shares

3.1 The Sub-Funds

The Company has an umbrella structure consisting of one or several Sub-Funds. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund. The investment objective, policy, as well as the risk profile and other specific features of each Sub-Fund are set forth in the Supplement relating to each Sub-Fund.

The Company is one single legal entity. However, the rights of the investors and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the investors relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund. With regard to the Shareholders, each Sub-Fund is regarded as being a separate entity.

As specified in the relevant Supplement, certain Sub-Funds may not be open for subscriptions until after the Board of Directors have determined their respective Initial Offering Period.

3.2 The Classes of Shares

Within a Sub-Fund, the Board of Directors may decide to issue one or more Classes of Shares, the assets of which will be commonly invested but subject to different fee structures, distribution channels, marketing targets, dividend policies, Reference Currencies or any other criteria.

The Board of Directors has authorised the issue of Class A, B, C, D, E, F, G, H, I, X, Y and Z Shares, as well as of "Management", "Institutional Seed" and "Retail Seed" Classes of Shares, in some or all Sub-Funds.

The Shares in any Sub-Fund shall be issued in such Reference Currency as may be determined by the Board of Directors such as EUR, GBP, USD, CHF, AUD, SEK, JPY, HKD or RMB or such other convertible currency.

The Shares in any Sub-Fund may be distribution (inc) and/or capitalisation (acc) Shares as further described in section 13 of the Prospectus.

3.3 Availability

Information regarding (i) the availability of Classes of Shares in issue, (ii) the availability of distribution (inc) and/or capitalisation (acc) Shares and (iii) the Reference Currency in which Classes of Shares shall be available may be obtained at www.funds-invest.baml.com/tools/legaldocuments.

Investors should note however that some Sub-Funds and/or Classes of Shares may not be available to all investors. The Company retains the right to offer only one or more Classes of Shares for purchase by certain investors in any particular jurisdiction according to objective criteria defined by the Board of Directors in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may for example reserve one or more Sub-Funds or Classes of Shares to Institutional Investors or appointed sub-distributors only. Prospective investors should carefully consider the relevant Supplement and ensure they meet the eligibility requirements that may be specified therein. The Board of Directors may also decide to create one or several Classes of Shares which shall be dedicated to certain investors, each such Class of Shares corresponding to a specific pool of assets. Among themselves, the Shareholders of a specific Class of Shares shall be exclusively responsible for all liabilities attributable to the underlying investments of such Class of Shares, subject to the provisions of applicable law and contractual arrangements.

Unless otherwise stated in the relevant Supplement;

- Fractions of Shares will be issued up to 3 decimal places.
- Shares in any Sub-Fund are issued in registered form only.
- Title to registered shares is evidenced by entries in the Company's share register. Shareholders will receive confirmation notes of their shareholdings.
- Shares will be admitted in Clearstream and Euroclear.

3.4 Additional Sub-Funds and Classes of Shares

The Company may, at any time, create additional Classes of Shares whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives policies may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated, if necessary, and/or supplemented by a new Supplement relating to the new Sub-Fund.

The Company may also create several Classes of Shares of the same type for a given Sub-Fund. In that case, the next Shares will have in its denomination a number to differentiate it from the previous Class of Shares.

4. The Management Company

The Company has appointed CM Investment Solutions Limited with effect as of 17 March 2015 to serve as its designated management company in accordance with the Law of 17 December 2010 pursuant to a Management Company Agreement dated 17 February 2015, as may be amended from time to time. Under this agreement, the Management Company provides management, administrative and distribution/introduction as well as marketing services to the Company as these functions are described in Annex II of the Law of 17 December 2010, subject to the overall supervision and control of the Board of Directors.

CM Investment Solutions Limited is a limited company incorporated under English law on 23 December 2013 and authorised by the FCA to act as UCITS management company in accordance with the UCITS Directive. Such authorisation has been passported and enables the Management Company to manage the Company in Luxembourg. The articles of association of the Management Company were filed with the United Kingdom's Companies House.

Pursuant to the Management Company Agreement, the Management Company is entrusted with the day-to-day management of the Company, with the responsibility to perform directly or by way of delegation all operational functions relating to the investment management, including the risk management, and the administration of the Company as well as marketing and distribution of the Shares. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the following functions to third parties: investment management of certain Sub-Funds, administrative, domiciliary and paying agency, registrar and transfer agency as well as the marketing and distribution/introduction.

The Management Company shall adopt procedures aiming to control that the execution of the mandates given to the different agents are carried out in accordance with the conditions agreed and in compliance with the rules and regulations in force.

The Management Company shall at all times act in the best interests of the Company's shareholders and according to the provisions set forth by the Law of 17 December 2010, this Prospectus, its Supplements and the Articles.

5. The Investment Objectives and Policies

The Board of Directors determines the investment objectives, strategies and the investment restrictions applicable to the Company and the Sub-Funds. The details of the investment objectives, strategies and policies of each Sub-Fund are set out in the Supplement relating to such Sub-Fund, along with details in respect of where information may be obtained on an index tracked by that Sub-Fund, if any. The Board of Directors may, subject to the prior approval of the CSSF, amend the terms of the investment objective, strategy and policy of a particular Sub-Fund. The Shareholders will have the right, within one month of the publication of such change, to redeem all or part of their Shares free of charges if the changes are material and if so required by the CSSF. In such case, if necessary with a view to protecting the relevant Sub-Fund against market timing, the Company may, for the benefit of such Sub-Fund, impose a levy on the redemption of Shares up to 2% of the applicable Net Asset Value per Share.

The Company offers different types of Sub-Funds with investment objectives and strategies compatible with Part I of the Law of 17 December 2010. The Merrill Lynch Sub-Funds are linked to a Reference Asset as described under section 5.1 below.

In accordance with Regulation (EU) No 2015/2365, the information regarding the maximum and expected proportion of the AUM that can be subject to Total Return Swaps and SFTs is disclosed in the

Supplements relating to each Sub-Fund, if relevant. In certain circumstances these proportions may be higher.

The Sub-Fund's Assets and the collateral received by the relevant Sub-Fund in relation to OTC Derivatives (including Total Return Swaps) are safe-kept by the Depositary and its sub-custodians/correspondents in a segregated manner. Collateral received by the relevant Sub-Fund in relation to OTC Derivatives (including Total Return Swaps) is not reused.

All the revenues arising from these Total Return Swaps (if any), net of direct and indirect operational costs, will be returned to the relevant Sub-Fund. The fees and costs related to these Total Return Swaps will be negotiated at arm's length with the relevant counterparty, all in accordance with the Investment Restrictions and the current market practice.

5.1 Merrill Lynch Sub-Funds linked to a Reference Asset

The investment objective of the Merrill Lynch Sub-Funds will be to provide a return linked to the performance of some Reference Asset(s) such as for example, but not limited to, a sufficiently diversified index, strategy, basket comprised of Investment Instruments, or other investment opportunity offering a formulaic return. The details of any Reference Asset are outlined in the Supplement relating to the relevant Merrill Lynch Sub-Fund.

Some of these Merrill Lynch Sub-Funds may have a Defined Investment Term, in which case the investment objective of the relevant Merrill Lynch Sub-Fund will be to provide a return based on a Reference Asset on the Maturity Date and measured over a Defined Investment Term. The details of any Defined Investment Term and Maturity Date of a Merrill Lynch Sub-Fund are outlined in the Supplement relating to the relevant Merrill Lynch Sub-Fund. The return at the Maturity Date will typically be calculated with reference to the Starting Date and the Maturity Date. At the Maturity Date the Shares in the relevant Merrill Lynch Sub-Funds will be automatically redeemed and the relevant Merrill Lynch Sub-Funds will be terminated within ten Banking Days.

Merrill Lynch Sub-Funds linked to a Reference Asset may not invest directly in the components of the relevant reference index, strategy or other Reference Asset. Instead, the Merrill Lynch Sub-Funds may invest in a portfolio of Investment Instruments including OTC Derivative transactions and particularly Total Return Swaps (subject to the restrictions laid down in section 6 ”Investment Restrictions” of the Prospectus) whereby the returns received on the Sub-Fund's Assets (minus all fees and expenses of the relevant Merrill Lynch Sub-Fund) will be swapped in exchange for returns linked to the Reference Asset. The counterparties to any OTC Derivative transactions will be First Class Institutions selected and appointed in accordance with the OTC counterparty selection and review process described under Section 6.11 below.The return to investors may therefore be dependent upon the performance of the Reference Asset and the Sub-Fund's Assets including the performance of the OTC Derivative transaction(s).

Where a Merrill Lynch Sub-Fund invests directly in the relevant Reference Asset(s), such Merrill Lynch Sub-Fund will seek to ensure that the composition and weighting of the Sub-Fund's Assets reflect to the extent possible the composition and weighting of the Reference Asset(s). The Sub-Fund's Assets will be adjusted on a periodic basis to mirror any changes made in the Reference Asset(s). It can however not be assured that the Sub-Fund's Assets will exactly track the Reference Asset(s) at all times.

The difference between the return of the Merrill Lynch Sub-Fund and the return of its Reference Asset (the “Tracking Difference”) should be differentiated from the tracking error, which is defined as the volatility (as measured by the standard deviation) of the Tracking Difference over a given period of time (the “Tracking Error”). In other words, while the Tracking Difference indicates the accuracy with which a Merrill Lynch Sub-Fund tracked its Reference Asset, the Tracking Error indicates the consistency of the difference of return during a certain period of time.

The anticipated level of Tracking Error, in normal market conditions, is disclosed for each Merrill Lynch Sub-Fund in the relevant Supplement. Investors' attention is drawn to the fact that these figures are only estimates of the anticipated Tracking Error level in normal market conditions and should not be understood as strict limits.

The annual report and semi-annual report will state the actual size of the Tracking Error at the end of the period under review, as well as an explanation of any divergence between the anticipated and realised Tracking Error for the relevant period. The annual report will also disclose and explain the annual Tracking Difference.

5.2 Sub-Funds without a Reference Asset

The investment objective of these Sub-Funds will be to provide a return by investing directly into Investment Instruments in compliance with all of the investment restrictions as described in section 6 "Investment Restrictions" of the Prospectus.

5.3 Portfolio Turnover Rate

The portfolio turnover rate (PTR) will be calculated for each Sub-Fund (excluding Merrill Lynch Sub-Funds) once a year and disclosed in the annual report of the Company.

The PTR will be calculated as follows:

$$PTR = \left[(\text{Total 1} - \text{Total 2}) / M\right] \times 100$$

where:

Total 1 = X + Y (total of securities transactions of the Sub-Fund during the reference period) X being the value of the securities acquired by the Sub-Fund during the reference period Y being the value of the securities disposed of by the Sub-Fund during the reference period

Total 2 = S + T (total of transactions on Shares of the Sub-Fund during the reference period)

S being the issue of Shares of the Sub-Fund during the reference period

T being the redemption of Shares of the Sub-Fund during the reference period

M = the total monthly average net assets of the Sub-Fund concerned during the reference period

6. Investment Restrictions

The Company and the Sub-Funds are subject to all the restrictions and limits set forth in the Law of 17 December 2010, as amended and updated, and in all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated (the "Relevant Circulars").

The summary below is intended to provide a comprehensive list of the main restrictions set forth in the Law of 17 December 2010 and in the Relevant Circulars, as of the date of this Prospectus, including CSSF Circular 14/592.

6.1 Investment Instruments

6.1.1. The Company's investments in relation to each Sub-Fund may consist solely of:

(a) transferable securities and Money Market Instruments admitted to official listing on a stock exchange in an EU Member State;

(b) transferable securities and Money Market Instruments dealt on another Regulated Market in an EU Member State;

(c) transferable securities and Money Market Instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt on another Regulated Market in a non-EU Member State selected by the Board of Directors;

(d) new issues of transferable securities and Money Market Instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market selected by the Board of Directors; and
- such admission is secured within a year of issue;

(e) units of UCITS and/or other collective investment undertakings within the meaning of Articles 1 (2)(a) and 1(2)(b) of the UCITS Directive, should they be situated in an EU Member State or not, provided that:

- such other collective investment undertakings are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union law, and that co-operation between these authorities is sufficiently ensured;
- the level of protection for unit-holders in the other collective investment undertakings is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- the business of the other collective investment undertakings is reported in the annual reports and semi-annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- unless stated otherwise in the relevant Supplement, no more than 10% of the UCITS' or the other collective investment undertakings' net assets, whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other collective investment undertakings;

(f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Union law;

(g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in subparagraphs a), b) and c); and/or OTC Derivatives (including Total Return Swaps), provided that:

- the underlying consists of instruments covered by this section 6.1, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its Investment Objective as stated in the Prospectus and the relevant Supplement;

- the counterparties to OTC Derivative transactions are First Class Institutions; and

- the OTC Derivative transactions are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and/or

(h) Money Market Instruments other than those dealt in on a Regulated Market if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or

- issued by an undertaking, any securities of which are listed on a stock exchange or dealt in on Regulated Markets referred to in subparagraphs a), b) or c); or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Union law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by European Union law; or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which (i) represents and publishes its annual accounts in accordance with Directive 2013/34/EU, (ii) is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

6.1.2. Contrary to the investment restrictions laid down in paragraph 6.1.1. above, each Sub-Fund may:

(a) invest up to 10% of its net assets in transferable securities and Money Market Instruments other than those referred to under paragraph 6.1.1. above; and

(b) hold liquid assets on an ancillary basis.

6.2 Risk Diversification

6.2.1 In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-Fund in transferable securities or Money Market Instruments of one and the same issuer. The total value of the transferable securities and Money Market Instruments in each issuer in which more than 5% of the net assets of a Sub-Fund are invested must not exceed 40% of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.

6.2.2 The Company is not permitted to invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

6.2.3 The risk exposure to a counterparty of a Sub-Fund in an OTC Derivative transaction (including a Total Return Swap) and/or an SFT (including an EPM transaction) may not exceed:

- 10% of its net assets when the counterparty is a credit institution referred to in paragraph 6.1 f), or
- 5% of its net assets, in other cases.

6.2.4 Notwithstanding the individual limits laid down in paragraphs 6.2.1, 6.2.2 and 6.2.3, a Sub-Fund may not combine the following in excess of 20% of its net assets:

- investments in transferable securities or Money Market Instruments issued by;
- deposits made with; and/or
- net exposures arising from OTC Derivative transactions and SFTs (including EPM techniques) undertaken with a single body.

6.2.5 The 10% limit set forth in paragraph 6.2.1 can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-Fund.

6.2.6 The 10% limit set forth in paragraph 6.2.1 can be raised to a maximum of 35% for transferable securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations of which one or more EU Member States are members.

6.2.7 Transferable securities and Money Market Instruments which fall under the special ruling given in paragraphs 6.2.5 and 6.2.6 are not counted when calculating the 40% risk diversification ceiling mentioned in paragraph 6.2.1.

6.2.8 The limits provided for in paragraphs 6.2.1 to 6.2.6 may not be combined, and thus investments in transferable securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body shall under no circumstances exceed in total 35% of the net assets of a Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this section 6.2.

A Sub-Fund may invest, on a cumulative basis, up to 20% of its net assets in transferable securities and Money Market Instruments of the same group.

6.2.9 Where the Company enters into a Total Return Swap or invest in other financial derivative instruments with similar characteristics, the assets held by the relevant Sub-Fund must comply with the investment limits set out in sections 6.2, 6.3, 6.4, 6.5 and 6.6.

6.3 The following exceptions may be made

6.3.1 Without prejudice to the limits laid down in section 6.6 the limits laid down in section 6.2 are raised to a maximum of 20% for investment in shares and/or bonds issued by the same body, and, if according to the Supplement relating to a particular Sub-Fund the Investment Objective of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- its composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner.

6.3.2 The above 20% limit may be raised to a maximum of 35%, but only in respect of a **single** body, where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or Money Market Instruments are highly dominant.

6.3.3 **The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of a Sub-Fund in transferable securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations in which one or more EU Member States are members. These securities must be divided into at least six different issues, with securities from one and the same issue not exceeding 30% of the total net assets of a Sub-Fund.**

6.4 Investment in UCITS and/or other collective investment undertakings

6.4.1 A Sub-Fund may acquire the units of UCITS and/or other collective investment undertakings referred to in paragraph 6.1 e), provided that no more than 20% of its Net Asset Value are invested in units of a single UCITS or other collective investment undertaking. If the UCITS or the other collective investment undertakings have multiple compartments (within the meaning of articles 40 and 181 of the Law of 17 December 2010) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.

6.4.2 Investments made in units of collective investment undertakings other than UCITS may not exceed, in aggregate, 30% of the Net Asset Value of the Sub-Fund.

6.4.3 Notwithstanding the provisions of sections 6.4.1. and 6.4.2, none of the Sub-Funds will invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings unless otherwise stated in the relevant Supplement.

6.4.4 When a Sub-Fund has acquired units of UCITS and/or other collective investment undertakings, the assets of the respective UCITS or other collective investment undertakings do not have to be combined for the purposes of the limits laid down in section 6.2.

6.4.5 Under the conditions set forth by Luxembourg laws and regulations, new Sub-Funds of the Company may qualify as feeder UCITS (the "Feeder") or as master UCITS (the "Master"). A Feeder shall invest at least 85% of its net asset value in securities of a same master UCITS or sub-fund of a UCITS. An existing Sub-Fund may convert into a Feeder or a Master subject to the conditions set forth by Luxembourg laws and regulations. An existing Feeder or Master may convert into a standard UCITS sub-fund which is neither a feeder UCITS nor a master UCITS. A Feeder may replace the master UCITS with another master UCITS. When qualifying as Feeder, reference to such qualification will be included in a particular Sub-Fund's description in the relevant Supplement.

6.4.6 When a Sub-Fund invests in the units of other UCITS and/or other collective investment undertakings that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a direct or indirect interest of more than 10% of the capital or the votes, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or collective investment undertakings and may only levy a reduced management fee.

6.4.7 A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or collective investment undertakings shall disclose in its Supplement the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or collective investment undertakings in which it intends to invest. In the annual report of the Company it shall be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other collective investment undertaking in which the Sub-Fund invests.

6.5 Tolerances and multiple compartment issuers

6.5.1 If, because of market movements or the exercising of subscription rights or any other circumstances beyond the control of the Company, the limits mentioned in section 6.1 are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interests of the Shareholders.

6.5.2 Provided that they continue to observe the principles of diversification, newly established Sub-Funds may deviate from the limits mentioned under sections 6.2, 6.3 and 6.4 above for a period of six months following the date of their initial launch.

6.5.3 If an issuer of Investment Instruments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under 6.2, 6.3.1 and 6.4.

6.6 Investment Prohibitions

The Company is prohibited from:

- Acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question;
- Acquiring more than
    - 10% of the non-voting equities of one and the same issuer;
    - 10% of the debt securities issued by one and the same issuer;
    - 10% of the Money Market Instruments issued by one and the same issuer; or
    - 25% of the units of one and the same UCITS and/or other undertaking for collective investment.

  The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

  Exempted from the above limits are transferable securities and Money Market Instruments which, in accordance with article 48, paragraph 3 of the Law of 17 December 2010 are issued or guaranteed by an EU Member State or its local authorities, by another Member State of the OECD or which are issued by public international organisations of which one or more EU Member States are members.
- Selling transferable securities, Money Market Instruments and other investment instruments mentioned under sub-paragraphs e), g) and h) of paragraph 6.1 short.
- Acquiring precious metals or related certificates.
- Investing in real estate and purchasing or selling commodities or commodities contracts.
- Borrowing on behalf of a particular Sub-Fund, unless:
    - the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
    - the loan is only temporary and does not exceed 10% of the net assets of the Sub-Fund in question.
- Granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of transferable securities, Money Market Instruments and other investment instruments mentioned under sub-paragraphs g) and h) of section 6.1.1 that are not fully paid up.

6.7 Risk management and limits with regard to derivative instruments (including Total Return Swaps) and the use of SFTs (including EPM techniques)

- The Management Company must employ (i) a risk-management process in relation to the Company which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio of the Company and (ii) a process for accurate and independent assessment of the value of OTC Derivatives and SFTs.
- Each Sub-Fund shall ensure that its global risk exposure relating to derivative

instruments does not exceed its total Net Asset Value.

The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

A Sub-Fund may invest, as a part of its Investment Policy and within the limit laid down in paragraphs 6.2.7 and 6.2.8, in financial derivative instruments (including Total Return Swaps) provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 6.2. If a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 6.2.

When a transferable security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section.

6.8 Management of collateral for OTC Derivative transactions (including Total Return Swaps) and SFTs (including EPM techniques)

6.8.1 All assets received by the Sub-Fund in the context of OTC Derivative transactions (including Total Return Swaps) and SFTs (including EPM techniques) shall be considered as collateral and should comply with the following criteria at all times:

6.8.2 Liquidity: any collateral received other than cash must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the UCITS Directive.

Valuation: collateral received must be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Collateral received by a Sub-Fund will be marked-to-market daily and daily variation margins will be used.

Issuer credit quality: collateral received must be of high quality.

Correlation: the collateral received by the Sub-Fund must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

Collateral diversification (asset concentration): collateral must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of SFTs (including EPMs) and OTC Derivative transactions (including Total Return Swaps) a basket of collateral with a maximum exposure to a given issuer of 20% of its NAV. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from the above-mentioned 20% limit of exposure to a single issuer, a Sub-Fund may be fully collateralised (i.e. up to 100%) in different transferable securities and Money Market Instruments issued or guaranteed by a single EU Member State, one or more of its local authorities, by another Member State of the OECD, or a public international body to which one or more EU Member States belong. Such a Sub-Fund shall receive securities from at least six different issues, and securities from any single issue shall not account for more than 30% of the net assets of the Sub-Fund. Any use of such derogation will be disclosed under the section “Collateral Policy” (see below).

Risks linked to the management of collateral, such as operational and legal risks, must be identified, managed and mitigated by the risk management process.

Where there is a title transfer, the collateral received must be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Collateral received must be capable of being fully enforced by the Sub-Fund at any time without reference to or approval from the counterparty.

Non-cash collateral received should not be sold, re-invested or pledged.

Cash collateral received should only be:

- placed on deposit with entities prescribed in section 6.1.1 (f));
- invested (if allowed under the relevant Supplement) in high-quality government bonds and/or short-term money market funds;
- used for the purpose of reverse repo transactions (as defined below) provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis.

6.8.3 Re-invested cash collateral (if allowed under the relevant Supplement) must be diversified in accordance with the diversification requirements applicable to non-cash collateral.

6.8.4 A Sub-Fund receiving collateral for at least 30% of its assets must have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy must at least prescribe the following:

a) design of stress test scenario analysis including calibration, certification & sensitivity analysis;

b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;

c) reporting frequency and limit/loss tolerance threshold/s; and

d) mitigation actions to reduce loss including haircut policy and gap risk protection.

6.8.5 The Sub-Fund must have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, the Sub-Fund must take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with the above. This policy must be documented and must justify each decision to apply a specific haircut. The collateral arrangements entered into by the Sub-Fund must also enable it to comply with the law and regulation governing margin (collateral) for uncleared OTC derivative transactions applicable to the Sub-Fund and its relevant counterparties ("uncleared margin rules"). This means that, for example, the Sub-Fund is not permitted to agree a haircut which is less than the minimum haircut permitted under the applicable uncleared margin rules. Where the uncleared margin rules applicable to the counterparty are stricter than those applicable to the Sub-Fund, the stricter rule will be followed, and vice-versa. The collateral policy takes into account the uncleared margin rules.

6.8.6 The reinvestment of the cash collateral in financial assets providing a return in excess of the risk free rate shall be taken into account for the calculation of the Company's global exposure in accordance with section 6.7 above.

6.8.7 The annual and semi-annual reports of the Company shall disclose the assets into which the cash collateral is re-invested.

6.9 Techniques and Instruments for Hedging Currency Risks

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Company may enter into foreign exchange transactions, call options or put options in respect of currencies, forward foreign exchange transactions, or transactions for the exchange of currencies, provided that these transactions be made either on a Regulated Market or over-the-counter with First Class Institutions specialising in these types of transactions.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the Base Currency of a Sub-Fund (usually referred to as "cross hedging") may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be held or for which such liabilities are incurred or anticipated to be incurred. It should be noted, however, that transactions with the aim of hedging currencies for single share classes of a Sub-Fund may have a negative impact on the Net Asset Value of other share classes of the same Sub-Fund since share classes are not separate legal entities.

6.10 Restrictions on SFTs, including Securities Lending and Repurchase Transactions

To the extent permitted by the regulations, and in particular CSSF Circular 08/356 and CSSF Circular 14/592, each Sub-Fund may, for the purpose of generating additional capital or income or for reducing its costs or risks, engage in SFTs including Securities Lending Transactions and enter, either as purchaser or seller, into repurchase or buy and sell back transactions.

These SFTs may be carried out for 100% of the assets held by the relevant Sub-Fund provided (i) that their volume is kept at an appropriate level or that the Company is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and (ii) that these SFTs do not jeopardise the management of the Company's assets in accordance with the investment policy of the relevant Sub-Fund. Their risks shall be captured by the risk management process of the Management Company. These transactions will be subject to the main investment restrictions described under the following paragraphs, it being understood that this list is not exhaustive. All the revenues arising from these SFTs (if any), net of direct and indirect administrative and transaction costs, will be returned to the Company. In case any of the Sub-Funds shall receive revenues by engaging in Securities Lending Transactions or Repurchase Transactions, the Company's or Sub-Fund's policy regarding direct and indirect operational costs/fees arising from Securities Lending Transaction or Repurchase Transactions, that may be deducted from the revenue delivered to the relevant Sub-Fund, shall be described under the following paragraphs or in the relevant Supplement, as appropriate. The Management Company does not receive any revenue from SFTs.

6.10.1 Securities Lending Transactions

Each Sub-Fund may enter into Securities Lending Transactions provided that it complies with the following rules:

6.10.1.1 the Sub-Fund must be able at any time to recall any security that has been lent out or terminate any Securities Lending Transaction into which it has entered;

6.10.1.2 the Sub-Fund may lend securities either directly or through a standardised system organised by a recognised clearing institution or a lending program organised by a financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in European Union law and specialised in this type of transactions;

6.10.1.3 the borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Union law;

6.10.1.4 the counterparty risk of the Sub-Fund vis-à-vis a single counterparty arising from one or more Securities Lending Transaction(s) may not exceed the limitations as laid down in sections 6.2.3 and 6.2.4;

6.10.1.5 as part of its Securities Lending Transactions, the Sub-Fund must receive collateral issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty, the value of which, during the duration of the securities lending agreement, must be equal to at least 90% of the global valuation of the securities lent (interests, dividends and other eventual rights included). Non-cash collateral must be sufficiently diversified in accordance with section 6.8.2 "Collateral diversification" above;

6.10.1.6 such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through of the intermediaries referred to under 6.10.1.2 above, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. Said intermediary may provide collateral in lieu of the borrower;

6.10.1.7 the collateral must be given in the form of:

(i) liquid assets such as cash, short-term bank deposits, money market instruments as defined in Directive 2007/16/EC of 19 March 2007, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty;

(ii) bonds issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and bodies of a community, regional or world-wide scope;

(iii) shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;

(iv) shares or units issued by UCITS investing mainly in bonds/shares mentioned under (v) and (vi) hereunder;

(v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or

(vi) shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index;

6.10.1.8 the collateral given under any form other than cash or shares/units of a UCI/UCITS shall be issued by an entity not affiliated to the counterparty;

6.10.1.9 when the collateral given in the form of cash exposes the Sub-Fund to a credit risk vis-à-vis the trustee of this collateral, such exposure shall be subject to the 20% limitation as laid down in section 6.2.2 above. Moreover such cash collateral shall not be safekept by the counterparty unless it is legally protected from consequences of default of the latter;

6.10.1.10 the collateral given in a form other than cash may be safekept by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral but shall be safekept by the Depositary in case of a title transfer;

6.10.1.11 the Sub-Fund shall proceed on a daily basis to the valuation of the collateral received. In case the value of the collateral already granted appears to be insufficient in comparison with the amount to be covered, the counterparty shall provide additional collateral at very short term. A haircut policy adapted for each class of assets received as collateral shall apply in order to take into consideration credit risks, exchange risks or market risks inherent to the assets accepted as collateral. In addition, when the Sub-Fund is receiving collateral for at least 30% of its net assets, it shall have an appropriate stress testing policy in place to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral;

6.10.1.12 the Sub-Fund shall ensure that it is able to claim its rights on the collateral in case of the occurrence of an event requiring the execution thereof, meaning that the collateral shall be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realise the assets given as collateral, without delay, if the counterparty does not comply with its obligation to return the securities lent;

6.10.1.13 during the duration of the agreement, the collateral cannot be sold or given as a security or pledged; and,

6.10.1.14 the Company shall disclose the global valuation of the securities lent in the annual and semi-annual reports.

6.10.2 Repurchase Transactions

Each Sub-Fund may enter into (i) Repurchase Transactions which consist in the purchase or sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement and (ii) reverse repurchase transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Sub-Fund the obligation to return the securities received under the transaction (collectively, the “repo transactions”).

Each Sub-Fund can act either as purchaser or seller in repo transactions. Its involvement in such transactions is however subject to the following rules:

- the Sub-Fund that enters into a repo transaction must ensure that it is able at any time (i) to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered or (ii) to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Sub-Fund. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund;
- the fulfilment of the conditions 6.10.1.2, 6.10.1.3 and 6.10.1.4;
- during the life of a repo transaction with the Sub-Fund acting as purchaser, the Sub-Fund shall not sell the securities which are the object of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired;

- the securities acquired by the Sub-Fund under a repo transaction must conform to the Sub-Fund's investment policy and investment restrictions and must be limited to:

  (i) short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;

  (ii) bonds issued by non-governmental issuers offering an adequate liquidity; and,

  (iii) assets referred to under 6.10.1.7 (ii), (iii) and (vi) above.

The Company shall disclose the total amount of the open repo transactions on the date of reference of its annual and semi-annual reports.

6.11 OTC Derivative (including Total Return Swaps) and SFTs (including EPM techniques) Counterparty Selection and Review

The counterparties are selected and approved through a robust process. The Investment Managers propose a list of counterparties based on their expertise in the relevant OTC (including Total Return Swaps) and/or SFTs (including EPM techniques) transaction. The Management Company's risk management team will assess the credit worthiness of the proposed counterparty, his expertise in the relevant OTC transaction, the cost of service and others factors related to best execution. The Management Company's risk management team under the supervision of the Management Company's directors may refuse the approval of a proposed counterparty. To be approved, counterparties should meet the non exhaustive list of criteria below:

- Counterparties shall be institutions subject to prudential supervision and belonging to the categories approved by the CSSF in accordance with article 41(1)(g) of the Law of 17 December 2010 (i.e. credit institutions, investment firms).
- Counterparties shall be located in the OECD countries.
- Counterparties shall have a minimum credit rating Baa3 or equivalent.
- They shall have the necessary organisational structure, resources and expertise for performing the service which is provided.
- The contracts shall contain legally enforceable netting provisions and the legal risk relating to enforceability will be managed by the Management Company's risk management team by seeking external advice/opinions if necessary.

The counterparty risk exposure of each Sub-Fund is monitored on a regular basis. The Management Company's risk management team will ensure that the counterparty risk resulting from the relevant transaction is kept at a modest level. For example, it will ensure that, if necessary, the swaps will be reset to reduce counterparty exposure.

The Management Company's risk management team analyses total exposure to counterparties, ratings, CDS spread level, and research reviews. The contracts will contain legally enforceable netting provisions.

7. Collateral Policy

7.1 Merrill Lynch Sub-Funds linked to a Reference Asset

Merrill Lynch Sub-Funds linked to a Reference Asset will combine Financing Transactions, including SFTs, in order to generate floating rate interest flows and OTC Derivatives, including Total Return Swaps, in order to gain an exposure to the relevant Reference Asset.

Financing Transactions will be as follows:

- investment in a reverse repurchase transaction ("reverse repo") under which the relevant Merrill Lynch Sub-Fund acting as buyer will purchase securities from a First Class Institution such as MLI acting as seller with the obligation for the First Class Institution to repurchase such securities at a date and price agreed between the parties when entering into the reverse repurchase agreement. Such securities will comply with the limits laid down in CSSF Circular 08/356 and CSSF Circular 14/592;
- investment in a portfolio of transferable securities and/or collective investment undertakings in accordance with the investment restrictions laid down in section 6 of the Prospectus, the Law of 17 December 2010, and all applicable laws and regulations, together with investment in an OTC Derivative, being a Total Return Swap, over that portfolio, and under which the return of the portfolio will be swapped for floating rate interest flows.

OTC Derivatives which may be a Total Return Swap will then be entered into by the relevant Merrill Lynch Sub-Fund with a First Class Institution, such as MLI, acting as OTC Derivative counterparty in order to swap floating interest rate flows in return for exposure to the relevant Reference Asset.

7.1.1 Financing Transactions used to generate floating interest flows

Reverse Repurchase Agreements

For those Merrill Lynch Sub-Funds, the Management Company and the relevant reverse repo counterparty will each appoint a collateral manager (the "**Collateral Manager**"). The Company will have one account for each Merrill Lynch Sub-Fund collateralised under the reverse repo in the name of the relevant Merrill Lynch Sub-Fund with the Collateral Manager into which securities, and in exceptional circumstances cash, are transferred by the reverse repo counterparty. The Depositary is a party to the agreement between the Management Company and the Collateral Manager pursuant to which the Collateral Manager is acting as a sub-custodian of the Depositary under the supervision of the latter. The Collateral Manager is entrusted with the collateral management functions of the securities and the cash.

Notwithstanding the provisions of section 6.8 above and unless specified in the relevant Merrill Lynch Sub-Fund's Supplement, collateral must be only given in the form of:

- cash;
- high quality government bonds of an Eligible Country and supranational bonds of an Eligible Issuer. "Eligible Countries" are the OECD Member States. "Eligible Issuer" means the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Finance Corporation (IFC) and the United Nations Organisation;

- corporate bonds which have a long-term issuer rating of S&P, Fitch or Moody's provided that at least one of the rating of S&P, Fitch or Moody's is above BBB+ (or the Moody's equivalent); and
- equities and equity related stocks.

In addition, structured securities in respect of which the principal and interest payments are contingent on the performance or payment flows of one or more entities or assets shall not be eligible as collateral. Structured securities shall include (but not be limited to) credit linked notes (CDOs), collateralised loan obligations (CLOs), collateralised mortgage obligations (CMOs), asset-backed securities (ABS) and mortgage-backed securities (MBS). For purposes of this paragraph, classification of a security as ABS, MBS, CMO, CLO and CDO will be determined according to the Collateral Manager's internal classification.

Haircuts will be applied in regard to the calculation of the value of the securities purchased by the relevant Merrill Lynch Sub-Fund under a reverse repo. The applicable haircut levels will be function of the characteristics of the assets such as credit standing, price volatility or tail risk under stress scenarios (for instance, haircuts applied to equity and corporate bonds are higher than those applied to high quality government bonds). The value of the securities purchased by the relevant Merrill Lynch Sub-Fund under a reverse repo will be calculated on a daily basis as the market value of the respective securities adjusted by the relevant haircut.

The table below provides the minimum haircuts applied to each type of securities:

Type of securities	Minimum haircuts
Cash	0%
High quality government bonds and supranational bonds	0%
Corporate bonds	10%
Equity and equity related stocks	10%

In addition to the requirements provided by the CSSF Circular 08/356 and CSSF Circular 14/592 as replicated in section 6.8 above, collateral will have to comply with the following requirements:

- collateral should be diversified with a maximum exposure per corporate issuer of 10% of the NAV of the relevant Merrill Lynch Sub-Fund.
- all Merrill Lynch Sub-Funds using reverse repurchase agreements may take advantage of the derogation from the 20% limit of exposure to a single issuer as referred to under the above section "Management of collateral for OTC Derivative transactions and EPM techniques", under "Collateral diversification (asset concentration)".
- when defining the quantity of size of each common or preferred shares, their average trading volume should be taken to account to ensure the liquidity of the collateral.

All concentration, diversification and liquidity requirements should be applied per Merrill Lynch Sub-Fund.

Securities received as Collateral by the relevant Sub-Fund in relation to reverse repurchase agreements are not reused.

Total Return Swaps

For the Merrill Lynch Sub-Funds using Total Return Swaps, the Management Company and the swap counterparty will enter into an ISDA Credit Support Annex. The Company has one account for each Merrill Lynch Sub-Fund collateralised under this arrangement in the name of the relevant Merrill Lynch Sub-Fund with the Depositary into which cash, and in exceptional circumstances securities, are transferred by the swap counterparty to reduce net counterparty exposure.

In the event that the Total Return Swaps generating floating interest flows are not re-set by the Investment Manager when the gross counterparty risk of the relevant Merrill Lynch Sub-Fund to such Total Return Swaps is approaching the limits specified in section 6.2.3 of the Prospectus, the Management Company will reduce the gross counterparty risk of such Merrill Lynch Sub-Fund to such OTC Derivatives by causing the swap counterparty to deliver to the Depositary collateral in the form prescribed by the CSSF Circular 14/592.

The assets transferred by the swap counterparty will comply with the collateral restrictions set out in section 6.8 of the Prospectus and will be limited to:

- cash; and
- high quality government sovereign bonds of an Eligible Country and supranational bonds of an Eligible Issuer. It is being specified that, only government bonds and supranational bonds with a relevant long term issuer rating of S&P and Fitch above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's above Baa1 (i.e. provided that the minimum rating is A3) will be considered as eligible collateral. In the case of different rating agencies issuing different credit ratings, the lower rating will apply. "Eligible Countries" are the OECD Member States. "Eligible Issuer" means the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Finance Corporation (IFC) and the United Nations Organisation.

All Merrill Lynch Sub-Funds using Total Return Swaps may take advantage of the derogation from the 20% limit of exposure to a single issuer as referred to under the above section "Management of collateral for OTC Derivative transactions and EPM techniques", under "*Collateral diversification (asset concentration)*".

Haircuts will be applied with regard to the calculation of the value of the collateral. The haircut applicable to cash, high quality government bonds and supranational bonds should be at least equal to 0%. The haircut levels may be increased due to the characteristics of the assets such as maturity, price volatility or FX risk. The value of the collateral will be calculated as the market value of the respective assets adjusted by the relevant collateral.

Securities received as Collateral by the relevant Sub-Fund in relation to Total Return Swaps are not reused.

7.1.2 OTC Derivatives used to gain an exposure to the Reference Asset

In the event that the OTC Derivatives providing exposure to the Reference Asset which may be Total Return Swaps are not re-set by the Investment Manager when the gross counterparty risk of the relevant Merrill Lynch Sub-Fund's OTC Derivatives is approaching the limits specified in section 6.2.3 of the Prospectus, the Management Company will reduce the gross counterparty risk of such Merrill Lynch Sub-Fund's OTC Derivatives by causing the swap counterparty to deliver to the Depositary collateral in the form prescribed by the CSSF Circular 11/512 and the CSSF Circular 14/592.

The assets transferred by the swap counterparty will comply with the collateral restrictions set out in section 6.8 of the Prospectus and will be limited to:

- cash; and
- high quality government sovereign bonds of an Eligible Country and supranational bonds of an Eligible Issuer. It is being specified that only government bonds and supranational bonds with a relevant long term issuer rating of S&P and Fitch above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's above Baa1 (i.e. provided that the minimum rating is A3) will be considered as eligible collateral. In the case of different rating agencies issuing different credit ratings, the lower rating will apply. "Eligible Countries" are the OECD Member States. "Eligible Issuer" means the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Finance Corporation (IFC) and the United Nations Organisation.

All Merrill Lynch Sub-Funds may take advantage of the derogation from the 20% limit of exposure to a single issuer as referred to under the above section "Management of collateral for OTC Derivative transactions and EPM techniques", under "*Collateral diversification (asset concentration)*".

Haircuts will be applied with regard to the calculation of the value of the collateral. The haircut applicable to cash, high quality government bonds and supranational bonds should be at least equal to 0%. The haircut levels may be increased due to the characteristics of the assets such as maturity, price volatility or Fx risk. The value of the collateral will be calculated as the market value of the respective assets adjusted by the relevant haircut.

7.1.3 Non re-used of Collateral

Securities received as Collateral by the relevant Sub-Fund in relation to OTC Derivatives (including total Return Swaps) are not reused.

7.1.4 Re-investment of Cash Collateral

The Management Company may reinvest any cash collateral received from counterparties in accordance with section 6.8 of the Prospectus.

While the assets referring in section 6.8 of the Prospectus present a very low risk profile, there is no guarantee that the investment in those assets will not generate any losses. The Sub-Fund performance may therefore be impacted by those losses.

7.2 Sub-Funds without a Reference Asset

Sub-Funds without a Reference Asset may enter into OTC Derivatives including Total Return Swaps for hedging and investment purposes.

The Management Company and the OTC Derivatives counterparty will enter into an ISDA Credit Support Annex under which collateral will be transferred to the Company under the same conditions described in section 7.1.1 above.

In the event that the OTC Derivatives (including Total Return Swaps) are not re-set by the Investment Manager when the gross counterparty risk of a Sub-Fund's OTC Derivatives is approaching the limits specified in section 6.2.3 of the Prospectus, the Management Company will reduce the gross counterparty risk of the Sub-Fund's OTC Derivatives by causing the swap counterparty to deliver to the Depositary collateral in the form prescribed by the CSSF Circular 11/512 and the CSSF Circular 14/592.

The assets transferred by the swap counterparty will comply with the collateral restrictions set out in section 6.8 of the Prospectus and will be limited to:

- Cash; and
- high quality government and sovereign bonds of an Eligible Country and supranational bonds of an Eligible Issuer. It is being specified that only government bonds and supranational bonds with a relevant long term issuer rating of S&P and Fitch above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's above Baa1 (i.e. provided that the minimum rating is A3) will be considered as eligible collateral. In the case of different rating agencies issuing different credit ratings, the lower rating will apply. "Eligible Countries" are the OECD Member States. "Eligible Issuer" means the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Finance Corporation (IFC) and the United Nations Organisation.

Sub-Funds without a Reference Asset may take advantage of the derogation from the 20% limit of exposure to a single issuer as referred to under the above section "Management of collateral for OTC Derivative transactions and EPM techniques", under "Collateral diversification (asset concentration)".

The Sub-Fund's Assets and the collateral received by the relevant Sub-Fund in relation to OTC Derivatives (including Total Return Swaps) are safe-kept by the Depositary and its sub-custodians/correspondents in a segregated manner. Securities received as Collateral by the relevant Sub-Fund in relation to OTC Derivatives (including Total Return Swaps) is not reused.

Haircuts will be applied with regard to the calculation of the value of the collateral. The haircut applicable to cash, high quality government bonds and supranational bonds should be at least equal to 0%. The haircut levels may be increased due to the characteristics of the assets such as credit standing, price volatility or tail risk under stress scenarios. The value of the collateral will be calculated as the market value of the respective assets adjusted by the relevant haircut.

Sub-Funds without a Reference Asset may also enter into SFTs including EPM transactions.

The securities that will be purchased by the relevant Sub-Fund under a reverse repo will be in the form prescribed by the CSSF Circular 08/356 and CSSF Circular 14/592, as set out in section 6.10.2 above.

For those Sub-Funds, the Management Company and the relevant reverse repo counterparty will each appoint the Collateral Manager. The Company will have one account for each Sub-Fund collateralised under the reverse repo in the name of the Sub-Fund with the Collateral Manager into which securities, and in exceptional circumstances cash, are transferred by the reverse repo counterparty. The Depositary is a party to the agreement between the Management Company and the Collateral Manager pursuant to which the Collateral Manager is acting as a sub-custodian of the Depositary under the supervision of the latter. The Collateral Manager is entrusted with the collateral management functions of the securities and the cash.

Haircuts will be applied with regard to the calculation of the value of the securities purchased by the relevant Sub-Fund under a reverse repo. The haircut applicable to cash, high quality government bonds and supranational bonds should be at least equal to 0%. The haircut applicable to corporate bonds and stocks will be at least 3%. The haircut levels may be increased due to the characteristics of the assets such as credit standing, price volatility or tail risk under stress scenarios (for instance, haircuts applied to equity and corporate bonds are higher than those applied to high quality government bonds). The value of the securities purchased by the relevant Sub-Fund under a reverse repo will be calculated on a daily basis as the market value of the respective securities adjusted by the relevant haircut.

Securities received as Collateral by the relevant Sub-Fund in relation to the above SFTs (including EPMs) are not reused.

8. Risk Factors

Before making an investment decision with respect to Shares of any Class in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the Supplement relating to the relevant Sub-Fund, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this section and under the heading "Risk Profile" and "Specific Risk Warnings" in the relevant Supplement. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-Fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-Fund. The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class of Shares or any amount at all.

An investment in the Shares of any Sub-Fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Shares, any prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser.

The Company is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-Fund).

8.1 General

8.1.1 Risk of Loss

An investment in the Shares is speculative and entails substantial risk. An investor could lose all or substantially all of its investment in any Sub-Fund. The Shares are only suitable for persons willing to accept and able to absorb such risks. No one should consider investing more than they can afford to lose.

Alternative investment strategies are subject to a "risk of ruin" to which traditional strategies are not.

8.1.2 Reliance on the Investment Manager and Dependence on Key Personnel

The Investment Manager will have the responsibility for the relevant Sub-Fund's investment activities. Investors must rely on the judgement of the Investment Manager in exercising this responsibility. The Investment Manager and its principals are not required to, and will not devote substantially all of their business time to the investment activities of the relevant Sub-Fund. In addition, since the performance of a Sub-Fund is wholly dependent on the skills of the Investment Manager if the services of the Investment Manager or its principals were to become unavailable, such unavailability might have a detrimental effect on the relevant Sub-

Fund and its performance. Moreover, there can be no assurance that the Investment Manager of any Sub-Fund will successfully implement the strategy of the relevant Sub-Fund.

8.1.3 *Historical Performance*

The past performance of a Sub-Fund if any or any other investment vehicle managed by the Investment Manager or any of its affiliates is not indicative of the potential future performance of such Sub-Fund. The nature of, and risk associated with, a Sub-Fund may differ substantially from those investments and strategies undertaken historically by the Investment Manager, its affiliates or such Sub-Fund. In addition, market conditions and investment opportunities may not be the same for a Sub-Fund as they had been in the past, and may be less favourable. Therefore, there can be no assurance that a Sub-Fund's Assets will perform as well as the past investments managed by the Investment Manager or its affiliates (including, if applicable, such Sub-Fund). It is possible that significant disruptions in, or historically unprecedented effects on, the financial markets and/or the businesses in which a Sub-Fund invests in may occur, which could diminish any relevance the historical performance data of such Sub-Fund may have to the future performance of such Sub-Fund.

8.1.4 *Segregation of Liabilities between Sub-Funds*

The assets of each Sub-Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on behalf of or be subject to claims in other jurisdictions which may not necessarily recognise separate portfolios and, in such circumstances, the assets of one Sub-Fund may be exposed to the liabilities of another.

8.1.5 *Paying Agent Risk*

Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to or from the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of a Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

8.1.6 *Concentration of Investments*

Although a Sub-Fund's policy is to diversify its investment portfolio, a Sub-Fund may at certain times hold relatively few investments subject to the overall investment restrictions. A Sub-Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

8.1.7 *Declining Performance with Asset Growth*

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Investment Manager to modify its investment decisions for the relevant Sub-Fund because the Investment Manager cannot deploy all the assets in the manner it desires. There can be no assurance whatsoever as to the effect of an increase in equity under management may have on a Sub-Fund's future performance.

8.1.8 *Effect of Substantial Redemptions*

Substantial redemptions by Shareholders within a short period of time could require a Sub-Fund to liquidate securities positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding

Shares and/or disrupt the Investment Manager's investment strategy. Reduction in the size of a Sub-Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in such Sub-Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

8.1.9 *Leverage*

The Sub-Funds may achieve some leverage through the use of options, synthetic short sales, swaps, credit default swaps, forwards and other financial derivatives instruments for the purpose of making investments. The use of leverage creates special risks and may significantly increase the Sub-Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of a Sub-Fund to greater capital risk than an unlevered vehicle.

8.1.10 *Profit Sharing*

In addition to receiving an Investment Management Fee, the Investment Manager of a Sub-Fund may also receive a Performance Fee based on the appreciation in the value of the Sub-Fund's assets and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains which may subsequently never be realised. The Performance Fee may create an incentive for an Investment Manager to make investments for a Sub-Fund that are riskier than would be the case in the absence of a fee based on the performance of such Sub-Fund.

Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the value of a Sub-Fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the value of a Sub-Fund may decrease more rapidly than would otherwise be the case.

8.1.11 *Access to Non-Public Information May Affect the Ability of a Sub-Fund to Sell Investments*

From time to time, a Sub-Fund, through the principals and/or employees or agents of the Investment Manager, may have access to non-public information following execution of a non-disclosure agreement or under other circumstances. Such access to non-public information may have the effect of impairing the Investment Manager's ability to sell or buy the related investments when, and upon the terms, it might otherwise desire, including as a result of applicable securities laws.

8.1.12 *Hedging Transactions Uncovered Risks*

The Investment Manager, from time to time, employs various hedging techniques.

The success of a Sub-Fund's hedging strategy will be subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a 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.

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of those portfolio positions or prevent losses if the values of those positions decline. Rather, it establishes other positions designed to gain from those same declines, thus seeking to moderate the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Sub-Fund from achieving the intended hedge or expose a Sub-Fund to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs. The Investment Manager may determine, in its sole discretion, not to hedge against certain risks and certain risks may exist that cannot be hedged. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it effectively. Hedging transactions also limit the opportunity for gain if the value of a hedged portfolio position should increase.

The Investment Manager may purchase or sell stock index options as a hedging technique. A stock index measures the movement of a certain group of stocks by assigning relative values to the common stocks included in the index. The effectiveness of purchasing or selling stock index options as a hedging technique will depend upon the extent to which price movements in assets that are hedged correlate with price movements of the stock index selected.

8.1.13 Model Risk

Certain strategies require the use of quantitative valuation models as developed by third parties. As market dynamics shift over time (for example, due to changed market conditions and participants), a previously highly successful model often becomes outdated or inaccurate, the Investment Manager may not recognize that fact before substantial losses are incurred. There can be no assurance that any Investment Manager will be successful in continuing to develop and maintain effective quantitative models.

8.1.14 Trade Execution Risk

Many of the trading techniques used by the Sub-Funds require the rapid and efficient execution of transactions. Inefficient executions can result in a Sub-fund being unable to exploit the small pricing differentials that the Investment Manager may seek to exploit and impact, possibly materially, the profitability of a Sub-Fund’s positions.

8.1.15 Other Trading Activities of the Investment Manager and its Affiliates

The Investment Manager and its principals, directors, officers, partners, members, managers, shareholders, employees and affiliates trade or may trade for their own accounts, and certain of such persons have sponsored or may in the future sponsor or establish other public and private investment funds (“other accounts”). In certain circumstances, such product or platform may be wholly or principally owned by affiliates of the Investment Manager. The Investment Manager and its affiliates may trade for accounts other than the relevant Sub-Fund’s account and will remain free to trade for such other accounts and to utilize trading strategies and formulae in trading for such accounts that are the same as or different from the ones that the Investment Manager will utilize in making trading decisions on behalf of the relevant Sub-Fund. In addition, and if and when applicable, in their respective proprietary trading, the Investment Manager or its affiliates may take positions the same as or different than those taken on behalf of the Sub-Fund in accordance with the Investment Manager’s and its affiliates’ internal policies. The records of any such trading will not be available for inspection by investors except to the extent required by law. Because of price volatility, occasional variations in liquidity, and differences in order execution, it might not be possible for the Investment Manager and its affiliates to obtain identical trade execution for all their respective clients. When block orders are filled at different prices, the Investment Manager and its affiliates will assign the executed trades on a systematic basis among all client accounts.

8.1.16 Selection of Brokers and Dealers

The policy of the Investment Manager regarding purchases and sales for its portfolios is that primary consideration will be given to *obtaining* the most favourable execution of the transactions in seeking to implement the investment strategy of the relevant Sub-Fund. The Investment Manager will effect transactions with those brokers, dealers, futures commission merchants, banks and other counterparties (collectively, "brokers and dealers") which the Investment Manager believes provide the most favourable net prices and who are capable of providing efficient executions. Additional considerations include the ability of brokers and dealers to provide internal and external research services, special execution capabilities, clearance, settlement or other services including communications and data processing and other similar equipment and services and the furnishing of stock quotation and other similar information. The Investment Manager also may cause a broker or dealer who provides such certain services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction, which is in excess of the amount of commission or spread another broker or dealer would have charged for effecting that transaction. On some occasions the Investment Manager may "step out" a commission or send part of a commission to a broker who did not execute the order. Prior to making such an allocation to a broker or dealer, however, the Investment Manager will make a good faith determination that such commission or spread was reasonable in relation to the value of the brokerage, research or other services provided, viewed in terms of that particular transaction or in terms of all the transactions over which the Investment Manager or its affiliates exercise trading discretion and will ensure that the relevant Sub-Fund derives a direct or indirect economic interest from such an allocation.

8.1.17 Disclosure of Information

Upon enquiry, Shareholders may obtain specific information about the Management Company, the Company and its Sub-Funds at the registered office of the Company, without prejudice to the principle of equal treatment of Shareholders. Having provided any requested information, the Management Company is not required to provide, at its own initiative, all other Shareholders with the same information. Accordingly, certain Shareholders may invest on terms that provide access to information that is not generally provided to the other Shareholders and, as a result, may be able to act on such additional information.

8.1.18 Cybersecurity

The computer systems, networks and systems used by the Management Company, the Company and appointed service providers employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access and/or functionality.

8.1.19 Custody Risk

Sub-Funds' assets are deposited with the Depositary and identified in the Depositary's books as belonging to the respective Sub-Funds. Assets, except cash, are segregated from other assets of the Depositary which mitigates but does not prevent the risk of non-restitution in the event of bankruptcy of the Depositary. Cash deposits are not segregated in this way and therefore exposed to increased risk in the event of bankruptcy.

Sub-Funds' assets are also held by sub-custodians appointed by the Depositary in countries where the Sub-Funds invest and, notwithstanding compliance by the Depositary with its legal obligations, are therefore exposed to the risk of bankruptcy of those sub-custodians. A Sub-Fund may invest in markets where custodial or settlement systems are not fully developed, where assets are held by a sub-custodian and where there may be a risk that the Depositary may have no liability for the return of those assets.

A Sub-Fund may invest from time to time in a country where the Depositary has no correspondent. In such a case, the Depositary will identify and appoint after due diligence a local custodian. This process may take time and deprive in the meantime a Sub-Fund of investment opportunities.

Similarly, the Depositary assesses the custody risk of the country where the Company's assets are safe-kept on an ongoing basis and may recommend the immediate sale of the assets. In doing so, the price at which such assets will be sold may be lower than the price the Company would have received in normal circumstances, potentially affecting the performance of the relevant Sub-Funds.

8.2 Market Risks

8.2.1 Valuation of the Sub-Fund's Assets

Investors in the Shares should be aware that an investment in the Shares involves assessing the risk of an investment linked to the Sub-Fund's Assets.

The value of the Sub-Fund's Assets may vary over time and may increase or decrease by reference to a variety of factors which may include, amongst others, corporate actions, macro economic factors and speculation.

8.2.2 Exchange Rates

Investors in the Shares should be aware that such an investment may involve exchange rate risks. For example (i) the Sub-Fund's Assets may be denominated in a currency other than the Base Currency; (ii) the Shares may be denominated in a Reference Currency other than the currency of the investor's home jurisdiction; and/or (iii) the Shares may be denominated in a Reference Currency other than the currency in which an investor wishes to receive his monies. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Shares. Shareholders of Share Classes denominated in a currency other than the Base Currency of the Sub-Fund will be subject to the risk that the value of their respective functional currency will fluctuate against the Base Currency. The Sub-Fund may, in the discretion of the Investment Manager or the Management Company, as applicable, attempt to reduce or minimize the effect of fluctuations in the exchange rate on the value of the non Base Currency Shares. The Management Company or the Investment Manager (in the latter case, with the consent of the Management Company) may entrust a third party with the execution of such FX hedging function. Due to the foregoing, each Class of Shares may differ from each other in their overall performance. There is no guarantee that any FX hedging for non Base Currency Share Classes will achieve the objective of reducing the effect of exchange rate fluctuations.

8.2.3 Interest Rate

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government policies or intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the Sub-Fund's Assets are denominated may affect the value of the Shares.

8.2.4 *Market Volatility*

From time to time world financial markets can experience extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function. Market volatility affects the performance of the Shares, and of a Sub-Fund's Assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors exposure to or protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro economic factors and speculation.

8.2.5 *Liquidity and Market Characteristics*

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

8.2.6 *Market Liquidity and Leverage*

Changes in overall market leverage, deleveraging as a consequence of a decision by the counterparties with which a Sub-Fund enters into SFTs, such as repurchase/reverse repurchase agreements, or derivative transactions, including Total Return Swaps, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Sub-Fund's portfolio.

8.2.7 *Credit Risk*

An investment in bonds or other debt securities involves counterparty risk of the issuer of such bonds or debt securities which may be evidenced by the issuer's credit rating. An investment in bonds or other debt securities issued by issuers with a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than that of more highly rated issuers. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties this may affect the value of the bonds or other debt securities (which may be zero) and any amounts paid on such bonds or other debt securities (which may be zero). This may in turn affect the Net Asset Value per Share.

Investors in any Sub-Fund with a Defined Investment Term should be aware that the Sub-Fund's Assets for such Sub-Fund may include bonds or other debt securities that involve credit risk which will be retained by the Sub-Fund unless otherwise provided in the relevant Supplement. Moreover, where such Sub-Fund provides for a capital protection feature, the functioning of such feature may be dependent on the due payment of the interest and principal amounts on the bonds or other debt securities in which the Sub-Fund is directly invested.

8.2.8 *Stagnant Markets*

Although volatility is one indication of market risk, certain investment strategies may be more successful in times of market volatility which contributes to the mispricing of securities which they are designed to identify. In periods of trendless, stagnant markets and/or deflation, certain alternative investment strategies have materially diminished prospects for profitability.

8.2.9 *SFTs, including Securities Lending and Repurchase Transactions*

SFTs, including Securities Lending and Repurchase Transactions, involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in SFTs is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral.

SFTs also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Sub-Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

8.2.10 *Repurchase and Reverse Repurchase Agreements*

A Sub-Fund may enter into repurchase and reverse repurchase agreements which involve certain risks. For example, if the seller of securities to the Sub-Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Sub-Fund will seek to dispose of such securities, which action could involve costs or delays. If a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Sub-Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Moreover, as any repurchase or reverse repurchase agreement is likely to have a limited term, the Company will enter into a repurchase or reverse repurchase agreement with a maturity date which may be different from the maturity date of the Sub-Fund. The Company will therefore need to re-negotiate the terms and conditions of the repurchase or reverse repurchase agreement after the expiration of the original term and there can be no assurance that any new agreement entered into will have terms similar to those previously entered into. In particular, the terms agreed upon such re-negotiation might be less attractive than the original terms which might have a negative impact on the performance of the Sub-Fund. If the Company enters into additional repurchase or reverse repurchase agreements with new counterparties the terms of such new agreements will have to be negotiated and may deviate from the terms of the original agreement.

8.2.11 *Hedging Disruption*

If the Company and/or the Management Company and/or any of the Investment Managers is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Shares, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s) and further if the Company and/or the Management Company and/or any of the Investment Managers acting on the Company's behalf may incur a materially increased (as compared with circumstances existing on the date of the Prospectus) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Shares, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s); then as a consequence thereof, the Management Company or the Investment Manager will be required to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the relevant Sub-Fund such as without limitation, a change of the objectives and policies of the Sub-Fund and/or the Reference Asset and determine the effective date of that adjustment.

8.3 European Economic Risks

EU Member States and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns, including in relation to sovereign and non-sovereign funding and debt. European, IMF and bilateral emergency funding arrangements have already been extended and/or are contemplated in respect of certain EU Member States and European based financial institutions.

These developments have had a negative effect in political terms and also in economic terms. Financial markets, investor sentiment and credit ratings of institutions and EU Member States have already been adversely affected and may continue to be so. In addition, investment activity has been affected, as has the willingness of financial institutions to extend credit.

There are concerns that one or more EU Member States within the Eurozone may not be able to meet their debt obligations or funding requirements. The depressed economic environment and cost of funding may cause short and medium term budget deficits to expand in these economies, further increasing the risk of default which is likely have adverse consequences for the European and the wider world economy.

The possibility of EU Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is not possible to predict accurately the precise nature of the consequences of an EU Member State leaving the Euro as there has been no legal framework put in place in preparation for such an event. However, it is likely that any Euro-denominated assets or obligations of a particular Sub-Fund that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies. In the event of the collapse of the Euro as a currency, any Sub-Fund whose Base Currency is Euro and any Euro denominated Share Classes would need to be re-designated into an alternative currency, as determined by the Directors, which could result in significant losses to Shareholders in the relevant Sub-Fund and/or Share Class.

These economic developments and their consequences both in Europe and the wider world economy, have increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulation by governments, trade balances and imbalances and social, economic or political instability.

Predicting accurately the consequences of developments of this kind is difficult. Events affecting the Euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in Euro. In such circumstances, there would be a definite risk of the Company's Euro-denominated investments becoming difficult to value. This could result in negative consequences for the Company including suspension of Net Asset Value valuations and, consequently, redemptions. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of the Company's investments. They may also affect the ability of the Company to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting the portfolio and individual Classes of any Sub-Fund. Fluctuations in the exchange rate between the Euro and the US dollar or other currencies could have a negative effect upon the performance of investments.

In an advisory referendum held in June 2016, the United Kingdom electorate voted to leave the European Union. On 29 March 2017, the Government of the United Kingdom formally notified the European Union that it will leave. Following this notification, there is a period of up to two years (which may be further extended by agreement) of exit negotiations before the United Kingdom leaves the European Union. The future economic and political relationship between the United Kingdom and the European Union (and between the United Kingdom and other countries) is uncertain, and a period of economic and political uncertainty is expected in the United Kingdom, in the rest of the European Union and globally. The result of the United Kingdom's referendum has caused severe currency movements and volatility in global markets, and is likely to continue to do so as events develop. The United Kingdom's exit from the European Union is expected to result in regulatory changes, which may be adverse. The ultimate nature and extent of the impact of these events on the Company, the Management Company and the Investment Managers are uncertain, but may be significant.

8.4 Risks Associated with Particular Strategies and Investment Instruments

8.4.1 Volatility Trading

Volatility strategies depend on mispricings and changes in volatility. Market volatility is a derivative of directional market movements and is itself often materially more volatile than underlying reference asset prices. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions.

At any given time, different market participants will have different views on the level of market volatility; if the Investment Manager incorrectly estimates market volatility, the Investment Manager will misprice the options which it trades.

8.4.2 Relative Value/Arbitrage Strategies

The success of relative value trading is dependent on the ability to exploit relative mispricings among interrelated instruments. Although relative value positions are considered to have a lower risk profile than directional trades as the former attempt to exploit price differentials not overall price movements, relative value strategies are by no means without risk. Some relative value strategies may result in high portfolio turnover and, consequently, greater transaction costs. Depending upon the investment strategies employed and market conditions, a Sub-Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, regulatory reform or changes in tax treatment. Mispricings, even if correctly identified, may not converge within the time frame within which a Sub-Fund maintains its positions. Even pure "riskless" arbitrage — which is rare — can result in significant losses if the arbitrage cannot be sustained (due, for example, to margin calls) until expiration. A Sub-Fund's relative value strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its or third-party valuation models. Market disruptions may also force a Sub-

Fund to close out one or more positions. Such disruptions have in the past resulted in substantial losses for relative value strategies.

8.4.3 *Convertible Arbitrage*

To the extent the price relationship between the convertible security and the underlying equity security remain constant, no gain or loss on the position is likely to occur. Such positions do, however, entail a substantial risk that the price differential could change unfavourably, causing a loss to the spread position. Substantial risks also are involved in borrowing and lending against such investments. The prices of these investments can be volatile, market movements are difficult to predict, and financing sources and related interest and exchange rates are subject to rapid change. Certain corporate securities may be subordinated (and thus exposed to the first level of default risk) or otherwise subject to substantial credit risks. Government policies, especially those of central banks, have profound effects on interest and exchange rates that, in turn, affect prices in areas of the investment and trading activities of convertible arbitrage strategies. Many other unforeseeable events, including actions by various government agencies and domestic and *international* political events, may cause sharp market fluctuations.

8.4.4 *Merger Arbitrage*

Merger arbitrage strategies require an assessment of the likelihood of consummation of the proposed transaction, and an evaluation of the potential profits involved. If the event fails to occur or it does not have the effect foreseen, losses can result. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including, without limitation: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder or third party approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with applicable securities laws; and (vii) inability to obtain adequate financing. Merger arbitrage positions also are subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the position may be exposed to loss. The success of merger arbitrage strategies depends on the overall volume of merger activity, *which* historically has been cyclical in nature.

8.4.5 *Risk Arbitrage and Event-Driven Strategies*

The success of risk arbitrage and event-driven strategies depends on the successful prediction of whether various corporate events will occur or be consummated. The difference between the price paid by a Sub-Fund for securities of a company involved in an announced extraordinary corporate transaction and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. Since the price bid for the securities of a company involved in an announced extraordinary corporate transaction is generally at a significant premium above the market price prior to the announcement, if the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities usually declines sharply, often by more than a Sub-Fund's anticipated profit, even if the security's market price returns to a level comparable to that which exists prior to the announcement of the deal. Because of the inherently speculative nature of event-driven investing, the results of a Sub-Fund's risk arbitrage and event-driven strategies may significantly fluctuate from period to period.

8.4.6 *Directional Trading*

Certain positions taken by a Sub-Fund may be designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

8.4.7 *Commodity and Energy Trading*

A Sub-Fund may from time to time have a significant commitment to commodity and energy index trading (i.e., trading in indices on electricity, natural gas, oil, crops and meats and related derivative instruments, including swaps, options and futures). Commodity index and energy index trading involves certain financial risks that are qualitatively different from those incurred in trading securities and other financial instruments.

8.4.8 *Distressed Strategies*

Distressed securities are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. These issuers may either be preparing to file, or have filed, for bankruptcy or insolvency protection under United States Chapter 11 or another insolvency scheme in the United States or elsewhere. They may be companies that have bonds rated CCC or lower by the rating agencies (primarily Moody's and Standard & Poor's), or their bonds might be trading at large spreads versus risk free rate.

Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers may be limited, thereby reducing the Investment Manager's ability to monitor the performance and to evaluate the advisability of continued investments in specific situations. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the value of the assets collateralizing such investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which the Sub-Fund invests, the Sub-Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the investments may not compensate the Sub-Fund adequately for the risks assumed.

8.4.9 *Credit Default Swaps*

A Sub-Fund may purchase and sell credit derivatives contracts — primarily credit default swaps — both for hedging and other purposes. Credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or loan, or a structured finance security, or on a portfolio of such instruments. Credit default swaps also can be used to make an investment synthetically. If the Investment Manager's view is that a particular credit, or group of credits, will experience credit improvement, a Sub-Fund may "sell" credit default protection in which it receives spread income. A Sub-Fund may also "purchase" credit default protection (i.e., short the particular name or security) without owning the referenced instrument if, in the judgement of the Investment Manager, there is a high likelihood of credit deterioration.

Swap transactions dependent upon credit events are priced based upon models, often proprietary, that incorporate many credit and market variables, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions. Accordingly, there are many factors upon which market participants may have divergent views. If the Investment Manager has a positive view of the credit outlook of a corporation, or a structured finance security, it may enter into credit default swap transactions in which it assumes the risk of default of an issuer. It may also enter into an opposite transaction, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components that determine the value of a swap.

The credit default swap market has been subject to tremendous volatility and lacks transparency. While the Investment Manager believes that a Sub-Fund's participation in this market has the potential for significant profit, it also entails significant risks.

8.4.10 Below Investment Grade Securities

The Sub-Fund may invest in fixed-income instruments that are or are deemed to be the equivalent in terms of quality to securities rated below investment grade by Moody's Investors Service, Inc. and Standard & Poor's Corporation and accordingly involve great risk. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk to adverse conditions. These risks include: (i) changes in credit status, including weaker overall credit conditions of issuers and risks of default; (ii) industry, market and economic risk; (iii) interest rate fluctuations; and (iv) greater price variability and credit risks of certain high yield securities such as zero coupon and payment-in-kind securities. While these risks provide the opportunity for maximizing return over time, they may result in greater upward and downward movement of the value of a Sub-Fund's portfolio.

While all security investments have some degree of risk, below investment grade fixed income securities may be subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities with higher ratings. Furthermore, the value of high yield securities may be more susceptible to real or perceived adverse economic, company or industry conditions than is the case for higher quality securities. Adverse market, credit or economic conditions could make it difficult at certain times to sell certain high yield securities held by a Sub-Fund.

High yield debt securities generally trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. High yield debt securities can be more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. Such securities may also not be protected by financial covenants or limitations on additional indebtedness.

The market values of certain lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities.

8.4.11 *Cash and Cash Equivalents*

The Investment Manager may elect to maintain a portion of a Sub-Fund's assets in cash and cash equivalents, such as money market funds or short-term government bonds, marketable securities and commercial paper. Investments in cash equivalents provide greater security and liquidity than other types of investments but they may produce lower returns than investments in stocks or bonds, which entail higher levels of risk. While money market funds seek to purchase and manage instruments to maintain stable prices, there is no guarantee that a money market fund will be able to do so. For example, a major increase in interest rates or a decrease in the credit quality of the issuer of one of a money market fund's investments could cause the money market fund's share price to decrease and a Sub-Fund could incur a loss.

8.4.12 *Futures*

Futures markets are highly volatile and a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to a Sub-Fund. Moreover, most commodity exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Such regulations could prevent a Sub-Fund from promptly liquidating unfavourable positions and thus subject such Sub-Fund to substantial losses.

8.4.13 *Conflicts Relating to Equity and Debt Ownership by a Sub-Fund and Affiliates*

A Sub-Fund and other accounts maintained by the same Investment Manager may at various times hold both debt and equity interests in issuers that are financially distressed or might become bankrupt. During negotiations among creditors or bankruptcy proceedings of such issuers, a Sub-Fund and such other holders may have competing claims for the remaining assets of such issuers.

8.4.14 *Trading in Securities of Emerging Market Issuers*

The Sub-Funds may trade in securities of issuers located in emerging markets – subject to the UCITS regulations governing trades of this nature. Emerging markets are by definition "in transformation" and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may affect investor confidence, which could in turn have a negative impact on the prices of emerging market exchange rates, securities or other assets.

The prices of emerging market exchange rates, securities or other assets are often highly volatile. Movements in such prices are influenced by, among other things, interest rates, changing market supply and demand, external market forces (particularly in relation to major trading partners), trade, fiscal, monetary programmes, policies of governments, and international political and economic events and policies. There may also be additional risks attendant to holding securities in local correspondents located in developing or emerging market countries. Lack of adequate custodial systems in some emerging market countries may prevent investment in a given country or may require the Company to accept greater custodial risks than in developed countries in order to invest in such countries. Shareholders should note that settlement mechanisms in emerging market countries are generally less developed and reliable than those in more developed countries and that this, therefore, increases the risk of settlement default, which could result in substantial losses for the Company in respect to its investments in emerging market countries. In addition, the legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which the Company may invest may not provide the same degree of information to investors as would generally apply in more developed markets. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed markets.

In emerging markets, the development of securities markets usually is at an early stage. This could lead to risks (such as increased volatility) and practices that are not common in more developed securities markets, which may negatively affect the value of securities listed on the exchanges of such countries. In addition, markets of emerging market countries are often characterised by illiquidity in the form of a low turnover of some of the listed securities.

It is important to note that, during times of global economic slowdown, emerging market exchange rates, securities and other assets are more likely than other forms of investment with lower risks to be sold during any "flight to quality", and their value may decrease accordingly.

Investments in emerging markets may also be adversely affected by governmental actions such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets or the imposition of punitive taxes. In addition, certain governments may prohibit or impose substantial restrictions on foreign investing in capital markets or in certain industries. Any such action could severely affect security prices, impair a Sub-Fund's ability to purchase or sell emerging market securities or otherwise adversely affect a Sub-Fund. Other emerging market risks may include, without limitation, difficulties in pricing securities and difficulties in enforcing favourable legal judgements in courts.

8.4.15 Loans of Portfolio Securities

A Sub-Fund may lend its portfolio securities under the restrictions applicable to Securities Lending and Repurchase Transactions, which can be found in CSSF Circular 08/356 and CSSF Circular 14/592, when they employ certain techniques and instruments relating to transferable securities and money market instruments as amended from time to time, as detailed in section 6.10 "Restrictions on Securities Lending and Repurchase Transactions" of the Prospectus. By doing so, a Sub-Fund attempts to increase its income through the receipt of interest on such loan. In the event that the borrower becomes insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return equivalent securities to the loaned securities, the Sub-Fund may experience delays in recovering the securities and may incur a capital loss. In particular, if a counterparty defaults and fails to return equivalent securities to those loaned, the Sub-Fund may suffer a loss equal to the shortfall between the value of the realised collateral and the market value of the replacement securities. If cash is received as collateral in connection with the loan, the cash may be reinvested. Any such reinvestment is not guaranteed by the Investment Manager and any losses incurred on such investments will be borne by the relevant Sub-Fund.

8.4.16 Regulated Markets in Emerging Market Countries

Trading on Regulated Markets in emerging market countries may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. If settlement procedures are unable to keep pace with the volume of transactions it will be difficult to conduct such transactions. Any difficulty with clearance or settlement procedures on such Regulated Markets may expose a Sub-Fund to losses. Any trading in emerging markets will be subject to the UCITS regulations governing trades of this nature.

8.4.17 *Risks associated with investing in the People's Republic of China (PRC)*

Disclosure and Accounting Standards: Disclosure, accounting and regulatory standards in the PRC are in many respects less stringent than standards in certain countries with more developed securities markets, and there may be less publicly available information about companies than is regularly published by or about companies in many other countries. Companies in the PRC are subject to accounting standards and disclosure requirements that differ in significant respects from those applicable to companies in many countries with more developed securities markets.

Foreign Exchange Controls: The PRC government still imposes exchange controls making it impossible to freely convert local currency into other currencies. The imposition of currency controls by the government may negatively impact performance and liquidity in a Sub-Fund investing in PRC as capital may become trapped in the PRC.

Political and Economic Considerations: A Sub-Fund investing in PRC may be affected by political and economic developments in or affecting the PRC, including changes in government policy, taxation and social, ethnic and religious instability. The economy of the PRC may differ favorably or unfavorably from the economies in more developed countries in such respects as gross domestic product, rates of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. The PRC economy is heavily dependent upon international trade and, accordingly, has been and may continue to be adversely affected by trade barriers, exchange controls, and other protectionist measures imposed or negotiated by the countries with which they trade. Expropriation, confiscatory taxation, nationalization or other developments could also adversely affect the assets of a Sub-Fund investing in PRC.

Regulation: PRC regulations under which non-resident investors can invest directly into equity and debt securities of domestic companies, are new, evolving and untested judicially. In addition, the supporting regulatory framework, such as applicable tax codes and foreign exchange regulations, have not yet been specifically amended or clarified with regard to their application to foreign investors and investments held by foreign investors. Therefore, these regulations and the underlying legislation may be amended, clarified, interpreted by judicial or administrative ruling or superseded in the future. Such alterations could impact adversely on a Sub-Fund's operation and performance.

Securities Markets: The stock exchanges and markets in the PRC have experienced significant fluctuations in the prices of securities, and no assurance can be given that such volatility will not continue in the future. The PRC securities markets are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. The PRC regulatory authorities have only recently been given the power and duty to prohibit fraudulent and unfair trade practices relating to securities markets, including insider trading and market abuse, and to regulate substantial acquisitions of shares and takeovers of companies.

PRC taxation: By investing in securities issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore, a Sub-Fund investing in PRC securities may be at risk of being subject to PRC taxes.

There is a possibility that the current tax laws, rules, regulations and practice in the PRC and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. A Sub-Fund investing in PRC could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any of those changes may reduce the income from, and/or the value of, the relevant investments in such Sub-Fund, meaning the Sub-Fund's net asset value will be adversely affected. In this case, the existing and subsequent investors will be disadvantaged as they will bear for a disproportionately higher amount of tax liabilities as compared to the liability at the time of investment in such Sub-Fund.

8.4.18 Trading in securities through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect ("Stock Connect") are securities trading and clearing links programs developed by the Stock Exchange of Hong Kong ("SEHK"), the Shanghai Stock Exchange and Shenzhen Stock Exchange (both exchanges referred to as "S&SSE"), Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depositary and Clearing Corporation Limited ("ChinaClear") with an aim to achieve mutual stock market access between the People's Republic of China (excluding Hong Kong, Macau and Taiwan) ("Mainland China") and Hong Kong. These links were effectively launched on 17 November 2014 under Shanghai-Hong Kong Stock Connect and on 5 December 2016 under Shenzhen-Hong Kong Stock Connect.

Under Stock Connect, a Sub-Fund, through its Hong Kong brokers may trade certain eligible securities listed and traded on the S&SSE (the "S&SSE Securities"). Such trading is subject to the laws and regulations of Mainland China and Hong Kong and the relevant rules, policies or guidelines issued from time to time. To the extent a Sub-Fund does trade such securities through Stock Connect, investors should be aware of the following risks:

Home Market Rules

A fundamental principle of trading securities through Stock Connect is that the laws, rules and regulations of the home market of the applicable securities shall apply to investors in such securities. In respect of S&SSE Securities, Mainland China is the home market and thus the Sub-Fund should observe Mainland China laws, rules and regulations. If such laws, rules or regulations are breached, the S&SSE have the power to carry out an investigation, and may require SEHK exchange participants to provide information about the Sub-Fund and assist in investigations.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to the trading of S&SSE Securities.

Regulatory Risk

Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators, stock exchanges and clearing systems in Mainland China and Hong Kong in connection with operations, legal enforcement and cross-border trades under Stock Connect. There is no assurance as to whether or how such developments may restrict or affect the Sub-Fund's investments.

Quota limitations

There is a daily quota that limits the maximum value of all northbound buy trades that can be executed on each trading day ("Daily Quota"), which is currently set at RMB 13 billion. The Daily Quota may change from time to time without prior notice. The SEHK and the S&SSE may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Daily Quota.

Such quota and other limitations may restrict the Sub-Fund's ability to invest in S&SSE Securities on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategy.

The Sub-Fund may sell its S&SSE Securities regardless of whether there has been a breach of the Daily Quota.

Beneficial Ownership

The S&SSE Securities purchased by the Sub-Fund will be held by the relevant sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the S&SSE Securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear.

It would appear that the Sub-Fund would have beneficial ownership of S&SSE Securities under Mainland China laws. It is expressly stipulated in the Several Provisions on the Pilot Program of Shanghai-Hong Kong Stock Market Connect and Shenzhen-Hong Kong Stock Market Connect (as promulgated by CSRC to prescribe the launch and operation of the Stock Connect) that HKSCC acts as the nominee holder and the Hong Kong and overseas investors own the rights and interests with respect to the SSE Securities. HKSE has also stated that it is the Hong Kong and overseas investors who are the beneficial owners of the S&SSE Securities.

However, it should be noted that the exact nature and methods of enforcement of the rights and interests of the Sub-Fund under Mainland China law is not certain and there have been few cases involving a nominee account structure in the Mainland China courts.

It should also be noted that as with other clearing systems or central securities depositaries, the HKSCC is not obliged to enforce the rights of the Sub-Fund in the Mainland China courts. If the Sub-Fund wishes to enforce its beneficial ownership rights in the Mainland Courts, it will need to consider the legal and procedural issues at the relevant time.

Segregation

The S&SSE Securities are held in a securities account in the name of HKSCC opened with ChinaClear, which is an omnibus account in which all S&SSE Securities of the investors of the Stock Connect are commingled. All these S&SSE Securities are beneficially owned by the investors and are segregated from HKSCC's own assets.

In addition, the S&SSE Securities beneficially owned by particular investors will be segregated in the accounts opened with HKSCC by relevant sub-custodians, and in the accounts opened with the relevant sub-custodians of such investors (including the Sub-Fund).

Disclosure of Interests

Under Mainland China laws, rules and regulations, if the Sub-Fund holds or controls shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same Mainland China Listco (as defined below), whether the relevant holdings are through Stock Connect, the QFII/RQFII regime or other investment channels) in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a "Mainland China Listco") above a certain threshold as may be specified from time to time, the Sub-Fund must disclose such interest within a specified period, and must not buy or sell any such shares within such period. The Sub-Fund must also disclose any substantial change in its holding.

Such disclosures may expose the Sub-Fund's holdings to the public with an adverse impact on the performance of the Sub-Fund.

Where a Mainland China incorporated company has both H Shares listed on the SEHK and A Shares listed on the S&SSE, if a Sub-Fund is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A Shares purchased through Stock Connect) in such Mainland China incorporated company, the Sub-Fund is under a duty of disclosure pursuant to Part XV of the Securities and Futures Ordinance (Cap 571) (the "SFO"). Part XV of the SFO does not apply where the Mainland China incorporated company has not listed any shares on the SEHK.

Foreign Ownership Limits

Under Mainland China laws, there is a limit as to how many shares a single foreign investor (including the Sub-Fund) is permitted to hold in a single Mainland China Listco, and also a limit on the maximum combined holdings of all foreign investors in a single Mainland China Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Stock Connect, the QFII/RQFII regime or other investment channels). The single foreign investor limit is currently set at 10% of the shares of a Mainland China Listco and the aggregate foreign investor limit is currently set at 30% of the shares of a Mainland China Listco. If either of such limits, which are subject to change from time to time, is reached, the foreign investor concerned will be requested to sell the excess amount within five trading days.

Pre-trade Checking

SEHK is required to check that in respect of any sell orders given by an exchange participant, the relevant exchange participant holds sufficient available S&SSE Securities to be able to fill such sell orders.

Pre-trade checking will be carried out at the start of each trading day. Accordingly, a broker through whom the Sub-Fund places a sell order may reject a sell order if the Sub-Fund does not have sufficient available S&SSE Securities in its account by the applicable cut off time specified by that broker or if there has been a delay or failure in the transfer of the relevant S&SSE Securities to any clearing account of the broker.

Settlement for Stock Connect Third Party Clearing (“TPC”)

The Sub-Fund will set up arrangements with its Hong Kong brokers and sub-custodian to ensure that cash payment is received against delivery of securities for the trades of the S&SSE Securities (Delivery versus Payment settlement). To this end, for the trades made in S&SSE Securities by the Sub-Fund, Hong Kong brokers will credit or debit the cash account of the Sub-Fund on the same day as the securities are settled, for an amount equal to the sale proceeds relating to such trading.

Differences in Trading Day

Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. It is therefore possible that there may be occasions when it is a normal trading day for the Mainland China market but the Sub-Fund cannot carry out any trading via Stock Connect. The Sub-Fund may be subject to a risk of price fluctuations in S&SSE Securities during the time when Stock Connect is not trading as a result.

No Day Trading

Day (turnaround) trading is not permitted on the Mainland China A share market. If the Sub-Fund buys S&SSE Securities on T day, it can only sell the S&SSE Securities on or after settlement has been completed (normally on T+1 day).

No Off-exchange Trading and Transfers

With certain limited exceptions, S&SSE Securities may not be traded or transferred otherwise than through Stock Connect.

No Manual Trade or Block Trade

There will be no manual trade facility or block trade facility for trading under Stock Connect.

Placing Orders

Only limit orders with a specified price are allowed pursuant to Stock Connect Rules, where buy orders may be executed at or lower than the current best price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

S&SSE Price Limits

S&SSE Securities are subject to a general price limit of a ±10% based on the previous trading day’s closing price. In addition, S&SSE Securities which are on the risk alert board are subject a ±5% price limit based on the previous trading day’s closing price. The price limit may be changed from time to time. All orders in respect of S&SSE Securities must be within the price limit.

Delisting of S&SSE-listed Companies

According to the S&SSE rules, if any S&SSE-listed company is in the process of delisting, or its operation is unstable due to financial or other reasons such that there is a risk of it being delisted or exposing investors’ interests to undue damage, the S&SSE-listed company will be earmarked and moved to the risk alert board. Any change to the risk alert board may occur without prior notice. If an S&SSE Security which is originally eligible for Stock Connect trading is subsequently moved to the risk alert board, the Sub-Fund will be allowed only to sell the relevant S&SSE Security and will be prohibited from further buying.

Special S&SSE Securities

SEHK will accept or designate securities which cease to meet the eligibility criteria for S&SSE Securities as Special S&SSE Securities (provided that they remain listed on S&SSE). In addition, any securities or options (which are not eligible for Stock Connect trading) received by the Sub-Fund as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by SEHK as Special S&SSE Securities. The Sub-Fund will only be able to sell, but not buy, any Special S&SSE Securities.

Taxation risk

On 14 November 2014, the Ministry of Finance, the State Administration of Taxation and the CSRC published the Circular on relevant Tax Treatment for the Pilot Programme of Shanghai-Hong Kong Stock Connect. Such circular provides that Hong Kong and overseas investors investing in A Shares via the Stock Connect Service are temporarily exempt from income tax on capital gains derived from the transfer of A Shares on or after 17 November 2014 (the "Stock Connect Exemption"). Dividends from A Shares paid to Hong Kong and overseas investors will continue to be subject to 10% withholding tax which is to be withheld at source.

However, the Stock Connect Exemption may be amended, discontinued or revoked in future. If it occurs, prospective retrospective tax liability may arise. There is also a risk that the Mainland China tax authorities may seek to collect tax on a retrospective basis, without giving any prior warning. If such tax were to be collected, the tax liability would be payable by the Sub-Fund. However, this liability may be mitigated under the terms of an applicable tax treaty.

Risk of ChinaClear Default

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. If ChinaClear (as the host central counterparty) defaults, HKSCC has stated that it may (but shall have no obligation to) take any legal action or court proceeding to seek recovery of the outstanding S&SSE Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. As ChinaClear does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of ChinaClear's positions. HKSCC will in turn distribute the S&SSE Securities and/or monies recovered to clearing participants on a pro-rata basis. The relevant broker through which the Sub-Fund trades shall in turn distribute S&SSE Securities and/or monies to the extent recovered directly or indirectly from HKSCC.

Although the likelihood of a default by ChinaClear is considered to be remote, if such event occurs the Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Risk of HKSCC Default

Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement of S&SSE Securities and/or monies in connection with them and the Sub-Fund's ability to access the Mainland China market will be adversely affected and the Sub-Fund may suffer losses as a result.

Operational risk

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trades through the Stock Connect could be disrupted. A Sub-Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

8.5 Use of Derivatives

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-Fund.

Derivatives do not always perfectly or even highly correlate to or track the value of the securities, rates or indices from which their value is derived. Consequently, a Sub-Fund's use of derivative techniques may cause in unintended results.

8.5.1 Debt Securities

A Sub-Fund may invest in derivatives of debt securities which will subject such Sub-Fund to credit, liquidity and interest rate risks. Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

8.5.2 Forward Foreign Exchange Contracts

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market which is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are neither regulated by any regulatory authority nor guaranteed by an exchange or clearing house. A Sub-Fund is subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel a Sub-Fund to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

8.5.3 Market Risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-Fund's interests.

8.5.4 *Synthetic Short Selling*

A Sub-Fund may synthetically short sell through cash settled contracts for difference or options for hedging purposes or for investment purposes. Synthetic short selling allows the investor to profit from declines in market prices. The extent to which a Sub-Fund engages in synthetic short sales will depend upon the Investment Manager's investment strategy and perception of market direction. Synthetic short selling involves trading on margin and can involve greater risk than investments based on a long position. A synthetic short sale of a security involves the risk of a theoretically unlimited increase in the market price of the underlying security. In the case of synthetic short selling through options, a Sub-Fund may be obligated to purchase securities to cover a synthetic short position; there can be no assurance that such securities will be available for purchase. Purchasing securities to close out the synthetic short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

8.5.5 *Control, Monitoring and Operational Risks*

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

The Sub-Fund may also incur operational risks, such as inadequate controls, deficient procedures, human error, system failure or fraud, in respect of such transactions.

8.5.6 *Liquidity Risk*

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, a Sub-Fund will only enter into OTC Derivatives if it is allowed to liquidate such transactions at any time at fair value).

8.5.7 *Counterparty Risk*

A Sub-Fund is subject to the risk of the insolvency of its counterparties (such as broker-dealers, futures commission merchants, banks or other financial institutions, exchanges or clearinghouses).

A Sub-Fund may enter into transactions in OTC markets, which will expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. This exposes a Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing such Sub-Fund to suffer a loss. Such "counterparty risk" is accentuated in contracts with longer maturities where events may intervene to prevent settlement.

Although the Sub-Funds intend to enter into transactions only with counterparties that the Management Company believes to be creditworthy and the Sub-Funds will attempt to reduce their exposure by obtaining collateral in appropriate cases, there can be no assurance that a counterparty will not default and that the Sub-Funds will not sustain a loss on a transaction as a result. For example, a Sub-Fund may enter into swap arrangements or other derivative techniques as specified in the relevant Supplement, each of which exposes it to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating positions and consequent significant losses. Such losses might include, but are not limited to, declines in the value of investments during the period in which a Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Generally, the Company will not be restricted from dealing with any particular counterparties. Notwithstanding a complete and exhaustive due diligence performed by the Company or by the Management Company, it cannot be excluded that a counterparty's creditworthiness proves to be insufficient. The absence of a regulated market to facilitate settlement may increase the potential for losses for the Company.

8.5.8 Merrill Lynch Sub-Funds linked to a Reference Asset through OTC Derivatives

There is no assurance that any underlying Reference Asset of an OTC Derivative will continue to be calculated and published on the basis described in this Prospectus, or at all, or that it will not be amended significantly. Any change to the underlying Reference Asset of an OTC Derivative may adversely affect the value of the Shares. The past performance of a Reference Asset underlying an OTC Derivative is not necessarily a guide to its future performance.

In relation to each index, strategy or other Reference Asset sponsored by MLI, MLI may from time to time modify the relevant Reference Asset. By way of non limiting example it may incorporate different features or characteristics such as the use of different market sectors, weights, contracts, or other underlying assets, or different methods of calculation. A description of any such modified versions of the relevant Reference Asset will be made available to investors upon request at the registered office of the Global Distributor. In relation to each Reference Asset sponsored by MLI, MLI further reserves the right to take any such actions that it believes are necessary, appropriate or beneficial, in its sole discretion, in order to preserve or enhance the ability of the Reference Asset to achieve its objectives.

For the avoidance of doubt and unless specified otherwise in the relevant Merrill Lynch Sub-Fund' Supplement, a Reference Asset of an OTC Derivative will not be actively managed and the selection of the component indices, strategies assets or securities will be made in accordance with the relevant index or strategy composition rules and eligibility criteria and not by reference to any performance criteria or performance outlook. Accordingly, the composition of the Reference Asset is not designed to follow recommendations or research reports issued by the Index Sponsor, strategy sponsor, any of their affiliates or any other person. No Index Sponsor or strategy sponsor has any obligation to take the requirements of the relevant Merrill Lynch Sub-Fund or the investors into consideration in determining, composing or calculating any index or strategy used as a Reference Asset of an OTC Derivative.

Valuation Risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC

Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Merrill Lynch Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Calculation of the performance of a Reference Asset

There is no assurance that a Reference Asset, will continue to be calculated and published on the basis described in the relevant Merrill Lynch Sub-Fund' Supplement, or at all, or that it will not be amended significantly. In relation to any relevant index or strategy to which a Reference Asset refers or in which a Merrill Lynch Sub-Fund is otherwise invested, the relevant Index Sponsor or strategy sponsor has the discretion to review, modify and amend the relevant index or strategy description, components, formula, calculation and publication procedures as further particularised in the relevant index or strategy rules. Any change to the Reference Asset and/or Reference Asset and/or relevant index or strategy rules may adversely affect the value of the Shares. The past performance of a particular Reference Asset or any Reference Asset is not necessarily a guide to its future performance.

Certain Hedging Considerations

Investors intending to purchase the Shares for the purpose of hedging their exposure to the Reference Asset should be aware of the risks of utilising the Shares in such manner. No assurance is or can be given that the value of the Shares will correlate with movements in the value of the Reference Assets. Furthermore, it may not be possible to liquidate the Shares at a price which directly reflects the value of the Reference Assets. Therefore, it is possible that investors could suffer substantial losses in the Shares notwithstanding losses suffered with respect to direct investments in or direct exposure to the Reference Assets. Investors in the Shares should be aware that hedging transactions, in order to limit the risks associated with the Shares, might not be successful.

8.5.9 Absence of Regulation in OTC Transactions

The Sub-Fund may engage in OTC transactions. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on Regulated Markets.

OTC transactions may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

8.5.10 Options

The Investment Manager may, on behalf of a Sub-Fund, purchase and sell ("write") options on securities, currencies and commodity indices on national and international exchanges and OTC markets. The seller ("writer") of a put option which is covered (e.g., the writer has a synthetic short position in the underlying instrument) assumes the risk of an increase in the market price of the underlying instrument above the sales price (in establishing the short position) of the underlying instrument, plus the premium received, and gives up the opportunity for gain on the underlying instrument below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying instrument below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

The writer of a call option which is covered (e.g., the writer has a long position in the underlying instrument) assumes the risk of a decline in the market price of the underlying instrument below the value of the underlying instrument less the premium received, and gives up the opportunity for gain on the underlying instrument above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Options may be cash settled, settled by physical delivery (excluding options on commodities) or by entering into a closing purchase transaction. In entering into a closing purchase transaction, a Sub-Fund may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

8.5.11 Additional risks associated with an underlying of OTC Derivatives linked to specific types of securities or assets

There are special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked directly or indirectly to the following types of securities or assets. The degree of exposure to such factors will depend on the precise way in which an underlying of OTC Derivatives is linked to such assets.

8.5.12 Futures and Options

There are special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked to futures, options or other derivative contracts. Depending on the nature of the underlying assets, reference rates or other derivatives to which they relate and on the liquidity in the relevant contract, the prices of such instruments may be highly volatile and hence risky in nature.

8.5.13 Real Estate

There are special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked to securities of companies principally engaged in the real estate industry. These include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of an underlying of OTC Derivatives and thus a Sub-Fund’s investments.

8.5.14 Commodities and Energies

Prices of commodity indices and energy indices are influenced by, among other things, various macro-economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

8.5.15 Emerging Market Assets

Exposure to emerging markets assets generally entails greater risks than exposure to well-developed markets, including potentially significant legal economic and political risks.

8.6 Additional Risk Factors when investing in Shares listed on a Stock Exchange

8.6.1 Listing Procedure

The Directors may decide, in their sole discretion, to apply to list certain Classes of Shares on the Luxembourg Stock Exchange or any other Stock Exchange. Should the Directors decide to make such an application, there can be no certainty, that a listing on any Stock Exchanges will be achieved.

8.6.2 Liquidity and Secondary Trading

Even if the Shares are listed on one or more Stock Exchanges, there can be no certainty that there will be liquidity in the Shares on one or more of the Stock Exchanges or that the market price at which the Shares may be traded on a Stock Exchange will be the same as the Net Asset Value per Share. There can be no guarantee that once the Shares are listed on a Stock Exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a Stock Exchange may be halted due to market conditions or because in the Stock Exchanges' view, trading the Shares is inadvisable. In addition, trading in the Shares may be subject to a halt in trading caused by extraordinary market volatility pursuant to Stock Exchanges' rules. If trading on a Stock Exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes.

Although the Shares may be listed on a Stock Exchange, it may be that the principal market for some Shares may be in the OTC market. The existence of a liquid trading market for the Shares may in such case depend on whether brokers/dealers will make a market in such Shares. Although as a condition precedent to listing on certain Stock Exchanges one or more market makers, being financial institutions, might be appointed to offer prices for the Shares, there can be no assurance that a market will continually be made for any of the Shares or that such market will be or remain liquid. The price at which Shares may be sold will be adversely affected if trading markets for the Shares are limited or absent.

8.6.3 Variation of Net Asset Value per Share and Trading Prices on the Secondary Market

The Net Asset Value per Share will fluctuate with changes in the market value of the Sub-Fund's Assets, the derivative techniques used and changes in the exchange rate between the Base Currency or, if different, the listing currency of a Share and any relevant foreign currency of such Sub-Fund's Assets. If the Shares are listed on a Stock Exchange, the market price of the Shares will fluctuate in accordance with the changes in the Net Asset Value per Share and the supply and demand on the Stock Exchange on which the Shares are listed. The Company cannot predict whether the Shares will trade below, at or above their Net Asset Value per Share. Price differences may be due, in large part, to the fact that supply and demand forces in the secondary market for the Shares will be closely related, but not identical to the same forces influencing the trading prices of the Sub-Fund's Assets, individually or in the aggregate, at any point in time. Furthermore, the listing on multiple exchanges of the Shares may result in price differences between such exchanges because of fiscal, regulatory or other market factors.

8.7 Specific Restrictions in Connection with the Shares

Investors should note that there may be restrictions in connection with the subscription, holding and trading in the Shares Such restrictions may have the effect of preventing the investor from freely subscribing, holding or transferring the Shares. Such restrictions may also be caused by specific requirements such as a Minimum Subscription Amount or due to the fact that certain Sub-Funds may be closed to additional subscriptions after the Initial Offering Period.

8.7.1 *Minimum Redemption Amount*

The Shareholders may be required to apply for redemption in respect of a minimum number of Shares in order to redeem such Shares. As a result, Shareholders holding less than such specified minimum number of Shares may be required to redeem their Shares in full in order to redeem any of their Shares.

8.7.2 *Maximum Redemption Amount*

The Company will have the option to limit the number of Shares redeemable on any date (other than at the maturity date, where applicable) to a maximum number specified and, in conjunction with such limitation, to limit the number of Shares redeemable by any person or group of persons (whether or not acting in concert) on such date. A Shareholder may not be able to redeem on such date all the Shares that it desires to redeem.

8.7.3 *Redemption Notice and Certifications*

Redemption of Shares is subject to the provision of a redemption notice, and if such notice is received by the Registrar and Transfer Agent after the redemption deadline, it will not be deemed to be duly delivered until the next following Banking Day. Such delay may increase or decrease the redemption price from what it would have been but for such late delivery of the redemption notice.

8.8 Market Disruption Events & Settlement Disruption Events

A determination of a Market Disruption Event or a settlement disruption event in connection with any of the Sub-Fund's Assets and/or Reference Assets may have an effect on the value of the Shares and may delay settlement in respect of the Sub-Fund's Assets and/or the Shares, and in the case of a Sub-Fund with a Defined Investment Term may delay the occurrence of the Maturity Date. Any such event may result in a suspension of valuations and issue and redemption and conversion of Shares in accordance with section 16 "Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares" of the Prospectus.

8.9 Taxation

Investors in the Shares should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-Fund, capital gains within a Sub-Fund, whether or not realised, income received or accrued or deemed received within a Sub-Fund etc., and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.

Investors should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in a Sub-Fund in relation to their direct investments, whereas the performance of a Sub-Fund, and subsequently the return investors receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.

Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant taxation authorities' change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

8.10 Financial Transaction Taxes

A number of jurisdictions have implemented, or are considering implementing, certain taxes on the sale, purchase or transfer of financial instruments (including derivatives), such tax commonly known as the "Financial Transaction Tax" ("**FTT**"). By way of example, the EU Commission adopted a proposal on 14 February 2013 for a common Financial Transaction Tax (the "**Draft FTT Directive**") which will, subject to certain exemptions, affect: (i) financial transactions to which a financial institution established in one of the 10 participating member states (Austria, Belgium, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "**Participating Member States**")) is a party; and (ii) financial transactions in financial instruments issued in a participating member state regardless of where they are traded. It is however unknown at the date of this Prospectus when the EU Financial Transaction Tax will apply. In addition, certain countries such as France and Italy have implemented their own FTT provisions at a domestic level already and others, including both EU and non-EU countries, may do so in the future.

The imposition of any such taxes may impact Sub-Funds and their respective performance in a number of ways and notably as follows:

- where Sub-Funds enter directly into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by the Sub-Fund and the Net Asset Value of such Sub-Fund may be adversely impacted;
- subscriptions, transfers and redemptions of Shares may be affected by FTT.

The Draft FTT Directive is still subject to negotiations among the Participating Member States and therefore might be changed at any time. Moreover, the provisions of the Draft FTT Directive once adopted (the "**FTT Directive**") need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the FTT Directive might deviate from the provisions contained in it. Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing, purchasing, holding and disposing of Shares in the Sub-Funds.

8.11 FATCA / CRS

The Sub-Funds will be required to satisfy certain tax reporting obligations, including without limitation obligations arising under the intergovernmental agreement between Luxembourg and the United States relating to FATCA, the Common Reporting Standards developed by the OECD and similar agreements that Luxembourg may enter into with other countries from time to time.

Under the terms of the FATCA Law and the CRS Law, the Company is likely to be treated as a (Foreign) Financial Institution. As such, the Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations.

This information and documentation may be shared with the IRS, and the competent authorities of other relevant jurisdictions, or directly to such competent authorities.

By executing the Subscription Agreement, each Shareholder agrees to provide a Sub-Fund with any requested information and certification necessary to allow the Sub-Fund to satisfy any tax reporting obligations. Any Shareholder that fails to provide any information and documentation requested will be subject to compulsory redemption and/or monetary penalties which may include 30% (or greater) withholding on all payments (including redemption payments) made to such Shareholder depending on the withholding taxes imposed on the Company or the Sub-Fund due to such Shareholder's non-compliance.

Should the Company become subject to a withholding tax and/or penalties as a result of FATCA and/or penalties as a result of CRS, the value of the Shares held by all Shareholders may be materially affected.

Please see paragraphs 14.6 and 14.7 below for further information on FATCA and CRS.

8.12 ERISA

No investors that are Benefit Plan Investors will be permitted to subscribe for, or otherwise own, Shares.

If Shares of any Sub-Fund are owned by Benefit Plan Investors, the assets of such Sub-Fund may be deemed to be "plan assets" subject to certain requirements of ERISA, Section 4975 of the Tax Code and/or Similar Law. If this happens, transactions involving the assets of the Sub-Fund could be subject to fiduciary responsibility, prohibited transaction or other substantive provisions of ERISA, Section 4975 of the US Tax Code and/or Similar Law, which could impair the ability of the Sub-Fund to pursue its investment objectives. Further, the person(s) responsible for the Benefit Plan Investor's investment in the Shares could have co-fiduciary responsibility for the investment decisions in the Sub-Fund. As such, no Benefit Plan Investors will be permitted to subscribe for, or otherwise own, Shares as provided for in section 10.3 "Ownership Restrictions" of the Prospectus.

8.13 Change of Law

The legal, tax and regulatory environment worldwide for investment funds (such as the Sub-Funds) and their managers is evolving, and changes in the regulation of investment funds, their managers, and their trading and investing activities may have a material adverse effect on the value of investments held by a Sub-Fund. The Company and the Sub-Fund must comply with regulatory constraints, such as a change in the laws affecting the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Sub-Fund.

8.14 Political Factors

The performance of the Shares or the ability to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.

8.15 Interested Dealings

The Directors, the Management Company, the Investment Manager, the Depositary, the Administrative Agent, the Global Distributor and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the "**Interested Parties**" and, each, an "**Interested Party**") may:

– contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-Fund, or be interested in any such contracts or transactions;

– invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and

– deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Management Company, the Investment Manager or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).

There will be no obligation on the part of any Interested Party to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.

Any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length.

8.16 Conflicts of Interest and Resolution of Conflict

Investors, in acquiring Shares, are relying on the good faith, experience and expertise of the Directors, the Management Company and the Investment Managers. The Directors, the Management Company, the Investment Managers and MLI are subject to a number of conflicts of interest in connection with the services to be provided to each Sub- Fund.

Each of the Directors, the Management Company, the Global Distributor, the Investment Managers, MLI, the Depositary and the Administrative Agent may, each in the course of their business, have potential conflicts of interests with the Company and the Sub-Funds.

The Investment Managers and their affiliates may give advice and recommend securities to the other accounts which may differ or conflict with advice given to, or securities recommended or bought for, a Sub-Fund, even though their investment objectives may be the same or similar provided that in doing so, the relevant Investment Manager continues to act in the best interests of the Company. The portfolio strategies the Investment Managers and their affiliates may use for the other accounts could conflict with the transactions and strategies employed by the relevant Investment Manager in managing a Sub-Fund and affect the prices and availability of the securities and other financial instruments in which a Sub-Fund invests.

The Company and the Management Company may appoint employees of MLI as directors and the fiduciary duties of such directors may compete with or be different from the interests of MLI. Each of the Directors, the Management Company, the Global Distributor, the Investment Manager, the Depositary and the Administrative Agent will have regard to their respective duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of such persons will undertake or shall be requested by the Company and/or the Management Company to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

The professional services provided by the Investment Managers are not exclusive to the relevant Sub-Fund. Similarly, the directors of the Company and the Management Company may be engaged in any other activities such as directors or officers of other companies or entities. Consequently, conflicts may arise with respect to the time and resources that the directors may devote to the Company or the Management Company.

MLI has been appointed by the Management Company to act as Global Distributor of the Sub-Funds. MLI or any of its employees, agents, affiliates, subsidiaries (the "**MLI Affiliates**") may perform further or alternative roles relating to the Company and any Sub-Fund, including for example (i) being the counterparty in respect of any investments of the Company, (ii) being involved in arrangements relating to the relevant investments (for example as a derivative counterparty, or a calculation agent), (iii) acting as a market maker in respect of Shares, and/or (iv) being responsible for providing valuations which may form the basis of calculating the Net Asset Value per Share in respect of any Sub-Fund and (v) sponsor or otherwise be involved with a variety of structured products such as participating notes, options or swaps linked in whole or in part to the performance of one or more Sub-Funds. MLI and MLI Affiliates may receive compensation for providing certain services to the Management Company on behalf of the Company.

The Directors acknowledge that MLI and MLI Affiliates may have a potential conflict of interest by virtue of acting as counterparties to derivative transactions or other contracts entered into by the Management Company on behalf of the Company and by virtue of providing valuations of such derivative transactions or contracts. However, the Directors expect that MLI or any MLI Affiliates acting as a counterparty will be a person suitable and competent to provide such valuations in the strict observance of the applicable rules, including rules aiming to guarantee independent valuations, and who will do so at no further cost to the Company which would be the case if the services of a third party were engaged to fulfil this role.

MLI and MLI Affiliates may have relationships with the Investment Managers (and other funds managed by the Investment Managers) unrelated to the business of the Company and the Sub-Funds and may receive compensation in connection with such relationship; such relationships can include, among others, prime brokerage and lending arrangements, as well as issuing derivative instruments to them and assisting them in financial structuring.

MLI and MLI Affiliates may from time to time come into possession of confidential information relating to an Investment Manager or an Investment Advisor, which MLI and MLI Affiliates will not use for the benefit of the Company and the Sub-Funds, due to confidentiality concerns or legal considerations. In addition, MLI Affiliates may also develop analyses and/or evaluations of the Investment Managers, as well as buy or sell interests in the Investment Managers, on behalf of their proprietary or client accounts. MLI and MLI Affiliates regard their analyses, evaluations and purchase and sale activities as proprietary and confidential, and will not disclose any of the foregoing to investors.

From time to time, the Investment Managers and/or their affiliates may acquire securities or other assets of an entity for an other account that are senior or junior to, or otherwise have different rights, preferences and privileges than, securities or assets of the same entity that are held by, or acquired for a Sub-Fund. In addition, the Investment Managers may acquire different securities or assets of the same entity which may be allocated among both the other accounts and the Sub-Fund and as such to different groups of investors. The relevant Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Company and the Shareholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that a conflict of interest does arise, the relevant Investment Manager will endeavour to ensure that such conflicts are resolved fairly, and that investment opportunities are allocated fairly. In determining the optimal way to structure the acquisition of such investment opportunities, the relevant Investment Manager and/or its affiliates will set the terms of the securities purchased by a Sub-Fund and other accounts in a manner it determines to be fair and equitable and taking into account the price and terms that would be obtained in the market for securities issued in similar transactions.

8.17 Redemption of Permitted US Person Shareholdings

Under the terms of CFTC Letter No. 15-46 dated May 8, 2015 from the Division of Swap Dealer and Intermediary Oversight of the Commodity Futures Trading Commission granting the Management Company relief from registration as a commodity pool operator, the Investment Manager of any Sub-Fund with Permitted US Person investors is required to redeem the shares of any such Permitted US Person no later than two calendar years from the date of the seed capital investment by such Permitted US Person in such Sub-Fund.

8.18 Limits of Risk Disclosure

The above outline of risk factors associated with the Sub-Funds and the Shares does not purport to be a complete explanation of the risks involved in an investment in the Sub-Funds. Prospective investors should read this entire Prospectus and consult with their own advisers before deciding whether to invest in a Sub-Fund. An investment in a Sub-Fund should only be made by investors who understand the nature of, do not require more than limited liquidity in, and can bear the economic risks associated with the investment.

9. Typology of Risk Profiles

Unless otherwise specified in the relevant Supplement, the Sub-Funds are available for investment by Institutional Investors and retail investors. Investors are expected to be willing to adopt capital and income risk.

The risk associated with an investment in the various Sub-Funds of the Company is classified by a Synthetic Risk Reward Indicator number which ranges between 1 and 7, with 1 being the lowest risk and 7 the highest risk. It is calculated by reference to the volatility of a Sub-Fund's performance over the last 5 years. Where 5 years' performance history is not available, the data is supplemented by a proxy fund, benchmark data or a simulated historical series as appropriate.

The SRRI number for each Sub-Fund will be prepared by the Management Company and approved by the Board of Directors. Investors must be aware that such classification is determined by the Management Company based on the definition above. The SRRI is indicative of the level of risk associated with each Sub-Fund and is not supposed to be a guarantee of likely returns. It should only be used for comparison purposes with other Sub-Funds offered to the public by the Company. The risk categories specified in each Supplement are not guaranteed and may change in the future for various reasons including general market developments and changes such as geopolitical factors. If you are in any doubt as to the level of risk that you should take, you should seek independent advice from your personal investment adviser.

10. Subscriptions, Redemptions and Conversion of Shares

10.1 Subscriptions

During the Initial Offering Period, the Company is offering the Shares at the Initial Subscription Price plus the Sales Charge (if applicable) under the terms and conditions as set forth in the Supplement relating to the relevant Sub-Fund. The Company may offer Shares in one or several Sub-Funds and/or in one or more Classes of Shares in each Sub-Fund.

The Board of Directors may in its discretion decide to cancel the offering of a Sub-Fund. The Board of Directors may also decide to cancel the offering of a new Class of Shares. In such case, investors that have made an application for subscription will be duly informed and any subscription monies already paid will be returned. For the avoidance of doubt, no interest will be payable on such amount prior to their return to the investors. After the Initial Offering Period, the Company may offer Shares of each existing Class in each existing Sub-Fund on any day that is a Dealing Day, as stipulated in the Supplement relating to the relevant Sub-Fund.

The Board of Directors may decide that for a particular Class or Sub-Fund no further Shares will be issued after the Initial Offering Period (as will be set forth in the relevant Supplement). However, the Board of Directors reserves the right to authorise at any time and without notice the issue and sale of Shares for Sub-Funds that were previously closed for further subscriptions. Such decision will be made by the Board of Directors with due regard to the interest of the existing Shareholders.

Shareholders or prospective investors may subscribe for a Class of Shares in a Sub-Fund at a subscription price per Share equal to:

(a) the Initial Subscription Price plus the Sales Charge (if applicable) where the subscription relates to the Initial Offering Period; or

(b) the Net Asset Value per Share as of the Dealing Day on which the subscription is effected plus the Sales Charge (if applicable) where the subscription relates to an offering subsequent to the Initial Offering Period of Shares of an existing Class in an existing Sub-Fund.

The applicable Sales Charge (which can be up to 5% of the Initial Subscription Price or the relevant Net Asset Value) will be specified in the Supplement relating to the relevant Sub-Fund.

An extra charge referred to as the Anti-Dilution Levy may be levied by the Company on investors subscribing for Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions, as described in section 15 below.

10.2 Subscription Procedure

Subscriptions may be made only by investors who are not Restricted Persons by:

– submitting a written subscription request to the Registrar and Transfer Agent or the Global Distributor or sub-distributor(s) as specified in the relevant Supplement by the Dealing Deadline. Unless otherwise stated in the relevant Supplement, the Dealing Deadline is 12 noon Luxembourg time on the Banking Day falling two Banking Days prior to the relevant Dealing Day. Subscription requests received after this deadline shall be calculated on the basis of the Net Asset Value per Share for the relevant Class of Shares in the relevant Sub-Fund as of that next following Dealing Day; and

– delivering to the account of the Depositary cleared funds for the full amount of the subscription price (plus any Sales Charge as stipulated here above) of the Shares being subscribed for pursuant to the subscription request, within 3 Banking Days following the relevant Dealing Day, unless otherwise stated in the relevant Supplement.

Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Share Classes of the Sub-Funds offered by the Company. Such allocation must respect the rules for Minimum Initial and Subsequent Subscription Amounts set out in paragraph 10.5 below.

The Company may decline any application for Shares in whole or in part without assigning any reason and will not accept an initial subscription for Shares of any amount (exclusive of the Sales Charge, if any) which is less than the Minimum Initial Subscription Amount unless the Minimum Initial Subscription Amount is waived by the Directors. In particular, and unless otherwise specified in the Supplement of the relevant Sub-Fund, the Directors may close any Share Class or Sub-Fund to additional investment on such terms as they determine if they believe any Sub-Fund has reached a size that could impact on the ability of the Sub-Fund to find suitable investments, and may reopen a Share Class or Sub-Fund without advance notice at any time.

In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Registrar and Transfer Agent by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.

In the event that the Company decides to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the applicant at the risk of the applicant without undue delay (unless otherwise provided for by law or regulations). No interest will be paid on subscription amounts.

The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder, after deduction of the Initial Sales Charge (if any), divided by:

(a) the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period, or

(b) the Net Asset Value per Share of the relevant Class and in the relevant Sub-Fund as of the relevant Valuation Day.

With regard to the Initial Offering Period, Shares will be issued on the first Banking Day following the end of the Initial Offering Period, unless otherwise specified in the Supplement relating to each Sub-Fund.

The Company shall recognise rights to fractions of Shares up to three decimal places, rounded up or down to the nearest decimal point. Any purchases of Shares will be subject to the ownership restrictions set forth below. Fractional Shares shall have no right to vote but shall have the right to participate pro rata in distributions and allocation of liquidation proceeds.

Pursuant to all applicable laws and regulations, professional obligations are imposed on the Company and its relevant service providers to prevent it being used in connection with money laundering or other illegal purposes. As a result of such provisions the Company, or its agents, may require documentation confirming the identity and/or other details of subscribers. Such information shall be collected for compliance reasons only and shall be covered by confidentiality rules incumbent upon the Company and its appointed agents in Luxembourg.

The Company may collect, store and process by electronic or other means the personal data supplied by investors at the time of subscription for the purposes of fulfilling the services required and of complying with its legal obligations (including the compliance with applicable anti-money laundering laws and regulations).

An investor may at its discretion refuse to communicate such personal data to the Company. In this case, the Directors may reject the request made for subscription of Shares in the Company. All personal data shall not be held by the Company for longer than necessary with regard to the purpose of data processing observing legal periods of limitation.

10.3 Ownership Restrictions

A person who is a Restricted Person may not invest in the Company. In addition, each applicant for Shares must certify that it is either (a) not a US Person or (b) a Permitted US Person.

No investors that are Benefit Plan Investors or otherwise Restricted Persons will be permitted to subscribe for, or otherwise own, Shares. Any investor that completes a written application to subscribe for Shares will be required to continuously represent that it is not a Benefit Plan Investor or otherwise a Restricted Person and covenant to promptly notify the Registrar and Transfer Agent (on behalf of the Company) if at any time it becomes, or will become, a Benefit Plan Investor or other Restricted Person. Any investor, by otherwise applying for, owning or holding, Shares, will be deemed to continuously represent that it is not a Benefit Plan Investor and covenant promptly to notify the Registrar and Transfer Agent (on behalf of the Company) if at any time it becomes, or will become, a Benefit Plan Investor or other Restricted Person.

All investors, by owning or holding Shares, agree that the Company, the Management Company, MLI and its affiliates, Directors, Investment Managers, Administrative Agent, Registrar and Transfer Agent, Depositary and each of the Company's and/or Sub-Fund's other agents and service providers (collectively, the "Benefiting Parties") shall be the beneficiary or express third party beneficiary (as the case may be) of such written or deemed representations and covenants and will be permitted to conclusively rely on such representations and covenants. The Benefiting Parties and all other Shareholders shall not be liable for any and all actions, proceedings, claims, losses, costs, fines, demands and expenses (collectively, "losses") which are incurred as a result of any misrepresentation (deemed or otherwise) regarding any party's Benefit Plan Investor status or Restricted Person status.

The Company may compulsorily redeem any Shares held by a Benefit Plan Investor or Restricted Person, without notice to, or consent by, such Benefit Plan Investor or Restricted Person.

10.4 Redemptions

Shares in a Sub-Fund may be redeemed at the request of the Shareholders on those Dealing Days as is stipulated in the Supplements relating to each Sub-Fund. Written redemption requests must be sent to the Registrar and Transfer Agent or the Global Distributor or sub-distributor(s) as specified in the relevant Supplement by the Dealing Deadline. Unless otherwise stated in the relevant Supplement, the Dealing Deadline is 12 noon Luxembourg time on the Banking Day falling two Banking Days prior to the relevant Dealing Day. Redemption requests received after this deadline shall be calculated on the basis of the Net Asset Value per Share for the relevant Class of Shares in the relevant Sub-Fund as of that next following Dealing Day. Redemption requests are irrevocable (except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of shares is suspended) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its redemption request.

A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the applicable Dealing Day for the relevant Class in the relevant Sub-Fund (less, as the case may be, a redemption fee as stipulated in the Supplement relating to each Sub-Fund).

Unless otherwise stated in the relevant Supplement, payment of the redemption proceeds shall be made generally within 3 Banking Days following the relevant Dealing Day.

Redemption of Shares may be suspended for certain periods of time as described under section 16 “Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares” of the Prospectus.

The Company reserves the right to limit proportionally all requests for redemptions in a Sub-Fund to be executed on any one Dealing Day, whenever the total proceeds to be paid for the Shares so tendered for redemption exceed 33,3% (one third) of the NAV of that specific Sub-Fund.

In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Dealing Day will realise the same proportion of redeemed Shares. The portion of the non-processed redemptions will then be processed by priority on subsequent Dealing Days. Such redemptions will be subject always to the foregoing 33.3% (one third) limit, which will be calculated based on the NAV as at the Dealing Day for which the initial redemption was made. Therefore unless the Directors make the decision to suspend redemptions, any proportionally reduced redemptions will be satisfied in full after a maximum of 3 Dealing Days.

The Company reserves the right not to process a redemption of any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Registrar and Transfer Agent may result in the withholding of redemption proceeds.

If a Shareholder submits a redemption order, a redemption fee may be levied on the amount to be paid to the Shareholder, if provided for in the Supplement relating to the relevant Sub-Fund.

For Sub-Funds with a Defined Investment Term and a specific Maturity Date, all Shares for which no redemption request has been made in respect of this Maturity Date will be compulsorily redeemed on such Maturity Date at the Net Asset Value per Share calculated on the Maturity Date (without any redemption charge). Such Sub-Fund shall be closed and the payment of the redemption proceeds shall be made within 10 Banking Days after the Maturity Date.

The Company may redeem Shares of any Shareholder if the Directors of the Company determine that any of the representations given by the Shareholder were not true and accurate or have ceased to be true and accurate or that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders. The Company may also redeem Shares of a Shareholder if it determines that the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders.

An extra charge referred to as the Anti-Dilution Levy may be levied by the Company on investors redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such redemptions, as described in section 15 below.

10.5 Minimum Initial and Subsequent Subscriptions and Minimum Redemptions

The Initial Offering Period Minimum Subscription Amount, the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount and the Minimum Redemption Amounts that can be applied for may vary according to the Sub-Fund and the Class of Shares. The Management Company reserves the right from time to time to waive any requirements relating to an Initial Offering Period Minimum Subscription Amount, a Minimum Initial Subscription Amount and a Minimum Subsequent Subscription Amount as and when it determines in its reasonable discretion and by taking into consideration the equal treatment of Shareholders.

Unless otherwise stated in the relevant Supplement, the minimum amounts for all Classes of all Sub-Funds are:

	Institutional Share Classes	**Retail, Management and Z Share Classes**
Initial Subscription Price	AUD 100 CAD 100 CHF 100 EUR 100 GBP 100 HKD 800 JPY 1,000 RMB 600 SEK 500 USD 100	
Initial Offering Period Minimum Subscription Amount		
Minimum Initial Subscription Amount		
Minimum Subsequent Subscription Amount		
Minimum Redemption Amount		

10.6 Conversion of Shares

Unless otherwise decided by the Board of Directors and stated in the relevant Supplement, Shareholders are allowed to convert all, or part, of the Shares of (i) a given Class into Shares of the same Class of another Sub-Fund and/or (ii) of one Class of Shares of a Sub-Fund to Shares of another Class of Shares of either the same or a different Sub-Fund. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-Fund which is closed for further subscriptions after the Initial Offering Period (as will be set forth in the relevant Supplement).

If the criteria to become a Shareholder of such other Class and/or such other Sub-Fund are fulfilled, the Shareholder shall make an application to convert Shares by sending a written request for conversion to the Global Distributor or sub-distributor(s) as specified in the relevant Supplement or the Registrar and Transfer Agent. The conversion request must be received by the Registrar and Transfer Agent by the Dealing Deadline which, unless otherwise stated in the Relevant Supplement, is 12 noon Luxembourg time on the Banking Day falling two Banking Days prior to the relevant Dealing Day. Conversion requests received after this deadline shall be treated on the next following Dealing Day on the basis of the Net Asset Value per Share for Shares of the relevant Class in the relevant Sub-Funds as of that next following Dealing Day. The conversion request must state either the amount in the relevant currency of the first Sub-Fund or the number of Shares of the relevant Classes in the relevant Sub-Fund, which the Shareholder wishes to convert. A conversion charge, in favour of the two Sub-Funds concerned, up to 1% of the Net Asset Value of the new Sub-Fund may be levied to cover conversion costs. This fee will be equally divided between the two Sub-Funds concerned. The same rate of conversion fee will be applied to all conversion requests received on the same Dealing Day.

Conversion of Shares shall be effected on the Conversion Day, by the simultaneous:

(a) redemption of the number of Shares of the relevant Class in the relevant Sub-Fund specified in the conversion request at the Net Asset Value per Share of the relevant Class of Shares in the relevant Sub-Fund; and

(b) issue of Shares on that Dealing Day in the new Sub-Fund or Class, into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Class in the (new) Sub-Fund.

Subject to any currency conversion (if applicable) and/or any withholding tax, the proceeds resulting from the redemption of the original Shares shall be applied immediately as the subscription monies for the Shares in the new Class or Sub-Fund into which the original Shares are converted.

Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued shall be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion shall be calculated by the Depositary in accordance with the rules laid down in the section 15 “Calculation and Suspension of Net Asset Value” hereafter.

10.7 Subscriptions and Redemptions in Kind

At the discretion of the Directors, the Company may agree to issue Shares as consideration for a contribution in kind of securities, provided that such securities comply with the investment objective, policy and restrictions of the relevant Sub-Fund and are in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Company (*réviseur d’entreprises agréé*) which shall be lodged with the Luxembourg trade and companies register. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant contributing investor(s).

The Company shall have the right, if the Directors so determine, to satisfy payment of redemption proceeds to any Shareholder with their prior consent, in specie by allocating to such Shareholder investments from the portfolio of assets set up in connection with such Sub-Fund equal in value (calculated in the manner described in the Prospectus and the Articles), as of the Valuation Day on which the redemption proceeds are calculated, to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders and the valuation used shall be confirmed by a special report of the auditor of the Company. The costs of any such transfers shall be borne by the transferee.

10.8 Prohibition of Late Trading and Market Timing

Late trading is to be understood as the acceptance of a subscription (or conversion or redemption) order after the relevant Dealing Deadline on the relevant Dealing Day and the execution of such order at the price based on the Net Asset Value applicable to such same day. Late trading is strictly forbidden.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares of the Company within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the relevant Sub-Fund. Market timing practices may disrupt the investment management of the portfolios and harm the performance of the relevant Sub-Fund.

In order to avoid such practices, Shares are issued at an unknown price and neither the Company, nor the Global Distributor will accept orders received after the relevant Dealing Deadline.

The Company reserves the right to refuse purchase (and conversion) orders into a Sub-Fund by any person who is suspected of market timing activities.

In addition, if necessary with a view to protecting the Sub-Funds against market timing, the Company may, for the benefit of the relevant Sub-Funds, impose a levy on the issue, redemption and/or conversion of Shares up to 2% of the applicable Net Asset Value per Share.

10.9 Restrictions on Subscriptions to and Conversions in certain Sub-Funds or Classes

Unless otherwise specified in the Supplement of the relevant Sub-Fund, the Board of Directors may, in its discretion and taking into account the equal treatment of Shareholders in comparable situations and the general interest of all Shareholders, refuse to accept new subscriptions or conversion in a Sub-Fund or a particular Class. By way of non limiting example, the Board of Directors might determine, upon consultation with the Investment Manager, that there is no capacity in the investment strategy adopted by a Sub-Fund to accept further subscriptions or conversion in a Sub-Fund or a particular Class. To the extent that, at a later date, the Board of Directors determines that there is no longer any reason to refuse new subscriptions to or conversions in the Sub-Fund or the Class then they may in their discretion accept new subscriptions to or conversions in the Sub-Fund or the Class.

Any Sub-Fund or Class may be closed to new subscriptions or conversions in without notice to Shareholders unless otherwise specified in the Supplement of the relevant Sub-Fund. Once closed, a Sub-Fund or Class, will not be re-opened until, in the opinion of the Board of Directors, the circumstances which required closure no longer prevail. A Sub-Fund or Class may be re-opened to new subscriptions or switches in without notice to Shareholders.

Investors should contact the Company or the Management Company or check the website www.funds-invest.baml.com/tools/legaldocuments for the current status of the relevant Sub-Funds or Classes.

11. Management of the Company

The Company shall be managed by the Board of Directors. The Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board of Directors.

The Directors are not required to devote their full time and attention to the business of the Company. They may be engaged in any other business and/or be concerned or interested in or act as directors or officers of any other company or entity.

The Company may indemnify any Director or officer, and his or her heirs, executors and administrators against expenses reasonably incurred by him or her in connection with any action, suit proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he or she is not entitled to be indemnified, except in relation to matters as which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he or she may be entitled.

11.1 Co-Management

Subject to the general provisions of Articles, the Directors may choose to co-manage the assets of certain Sub-Funds of the Company on a pooled basis for the purposes of efficient portfolio management. In these cases, assets of the Sub-Funds participating in the co-management process will be managed according to a common investment objective and shall be referred to as a "pool". These pools, however, are used solely for internal management efficiency purposes or to reduce management costs.

The pools do not constitute separate legal entities and are not directly accessible to investors. Cash, or other assets, may be allocated from one or more Sub-Funds into one or more of the pools established by the Company. Further allocations may be made, from time to time, thereafter. Transfers from the pool(s) back to the Sub-Funds may only be made up to the amount of that Sub-Fund's participation in the pool(s).

The proportion of any Sub-Fund's participation in a particular pool shall be measured by reference to its initial allocation of cash and/or other assets to such a pool and, on an ongoing basis, according to adjustments made for further allocations or withdrawals.

The entitlement of each Sub-Fund participating in the pool, to the co-managed assets applies proportionally to each and every single asset of such pool.

Where the Company incurs a liability relating to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool. Assets or liabilities of the Company which cannot be attributed to a particular pool, are allocated to the Sub-Fund they belong or relate to. Assets or expenses which are not directly attributable to a particular Sub-Fund are allocated among the various Sub-Funds pro rata, in proportion to the Net Asset Value of each Sub-Fund.

Upon dissolution of the pool, the pool's assets will be allocated to the Sub-Fund(s) in proportion to its/their participation in the pool.

Dividends, interest, and other distributions of an income nature earned in respect of the assets of a particular pool will be immediately credited to the Sub-Funds in proportion to its respective participation in the pool at the time such income is recorded.

Expenses directly attributable to a particular pool will be recorded as a charge to that pool and, where applicable, will be allocated to the Sub-Funds in proportion to their respective participation in the pool at the time such expense is incurred. Expenses, that are not attributable to a particular pool, will be charged to the relevant Sub-Fund(s).

In the books and accounts of the Company the assets and liabilities of a Sub-Fund, whether participating or not in a pool, will, at all times, be identified or identifiable as an asset or liability of the Sub-Fund concerned including, as the case may be, between two accounting periods a proportionate entitlement of a Sub-Fund to a given asset. Accordingly such assets can, at any time, be segregated. On the Depositary's records for the Sub-Fund such assets and liabilities shall also be identified as a given Sub-Fund's assets and liabilities and, accordingly, segregated on the Depositary's books.

11.2 Management Company

The Management Company shall be responsible for the functions of collective portfolio management of the Company as these functions are described in Annex II of the Law of 17 December 2010, including the investment management of the assets of the Company and the Sub-Funds, the administration of the Company and the implementation of the Company's and the Sub-Funds' distribution/introduction and marketing policy.

The authority of the Management Company is subject always to the overall policies, direction, control and responsibility of the Company.

The Management Company, a wholly owned subsidiary of Bank of America Corporation, has adopted a remuneration policy based on the global remuneration programme of Bank of America Corporation ("Bank of America" or the "Bank"). All matters related to compensation as well as compliance with the regulatory requirements are monitored by the relevant committees of Bank of America.

Bank of America has a well-governed pay-for-performance compensation program that rewards long-term, sustainable results that are aligned with stockholder interests. The overarching goal is to tie pay to performance while balancing rewards with prudent business decisions and sound risk management. Bank of America applies prudent risk management practices to its incentive compensation programs across the enterprise and is committed to a compensation governance structure that effectively contributes to the overall risk management policies.

All of our compensation programs are designed to conform with the following principles:

Principle 1. Compensation should be comprised of an appropriate mix of salary, benefits and incentives paid over time that properly aligns employee and stockholder interests;

Principle 2. Criteria for payment of incentive compensation should take into account Bank-wide, business unit and individual factors;

Principle 3. Compensation should be determined on the basis of a combination of financial and non-financial factors that reflect both the current period and a longer period;

Principle 4. Compensation programs should incorporate appropriate governance processes and procedures.

These principles work in conjunction with broader compensation practices, including Bank of America's overall commitment to pay for performance, remuneration policies and risk management processes set forth in the Bank's Risk Framework and Risk Appetite.

Bank of America's incentive plans are designed to compensate employees based on their performance ratings for results against their individual performance plan and behaviours, as well as overall Bank and line of business performance. Long-term risk is also taken into account and managed in connection with the Bank's incentive compensation programs through arrangements permitting performance adjustment of deferred variable compensation. Employees in positions where the greatest risk is being taken are subject to higher levels of deferral and potential performance adjustments.

In general, the higher an employee's management level or amount of incentive compensation award, the greater the proportion of incentive compensation should be (i) subject to deferral and (ii) delivered in the form of equity-based compensation. A significant portion of incentive awards is provided as a long-term incentive that generally becomes earned and payable over a period of three years after grant and will be cancelled in case of detrimental conduct or (for certain risk-takers) failure of the Bank, line of business or business unit (as applicable) to remain profitable during the vesting period. This approach serves two key objectives, which are to focus employees on long-term sustainable results and to subject compensation awards to risk over an appropriate time horizon that can be easily communicated and understood.

The details of the up-to-date remuneration policy, including, but not limited to, a description of the remuneration philosophy, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on the website http://www.funds-invest.baml.com/tools/legaldocuments under "Policies". A paper copy of the remuneration policy will be made available free of charge upon request.

11.3 Investment Manager

The Management Company may act as Investment Manager with respect to certain Sub-Funds as specified in the relevant Supplement. The Management Company may determine that a third-party Investment Manager has to be appointed to carry out investment management services, and be responsible for, the relevant Sub-Fund's investment activities within the parameters and restrictions set out in this Prospectus and the relevant Supplement. The identity of any appointed Investment Manager will be specified in the Supplement relating to the relevant Sub-Fund. The Investment Manager may be assisted by one or more Investment Advisors or delegate its functions, with the prior approval of the CSSF and the Management Company, to one or more sub-managers and as specified in the relevant Supplement. In case sub-managers are appointed, the Prospectus will be updated.

Unless otherwise stated in the relevant Supplement, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the relevant Sub-Fund. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the relevant Sub-Fund and provide other investment management services to achieve the Company's investment objective and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Supplement. The authority of the third party Investment Manager is subject always to the overall policies, direction, control and responsibility of the Management Company.

The fees and expenses payable to the Investment Manager in respect of the relevant Sub-Fund, will be set out in the relevant Supplement.

11.4 The Depositary

Pursuant to the Depositary Agreement, State Street Bank Luxembourg S.C.A. has been appointed to act as Depositary of the assets of the Company which are held either directly by the Depositary or through Depositary agents or other agents as appointed from time to time. The Depositary was incorporated in the Grand Duchy of Luxembourg as a public limited company (Société Anonyme) on

19 January 1990. The Depositary has, as of 7 April 2016, a fully paid up subscribed capital of EUR 65,001,137.50.

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles of Association;
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles of Association;
- carrying out the instructions of the Company unless they conflict with applicable law and the Articles of Association;
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits;
- ensuring that the income of the Company is applied in accordance with applicable law and the Articles of Association;
- monitoring of the Company's cash and cash flows; and
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company or at the following internet site:

http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html

All assets subject to Securities Financing Transactions and Total Return Swaps and collateral are segregated either with the Depositary or a sub-custodian.

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company; and

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;

(iv) may provide the same or similar services to other clients including competitors of the Company; and

(v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

(i) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

(ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholder.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a standard of conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The relationship between the Company and the Depositary is subject to the terms of the Depositary Agreement. The Company and the Depositary may terminate the Depositary Agreement upon three months prior written notice or immediately in certain circumstances. In case of notice of termination by the Depositary, the Board of Directors must appoint another Depositary within two months of receipt of such notice. In such case, the Depositary must safeguard the interests of the Company until such time as the functions are assumed by a new Depositary.

11.5 The Administrative, Corporate, Domiciliary Agent, Paying Agent, Registrar and Transfer Agent and Listing Agent

Pursuant to the Administration Agreement, State Street Bank Luxembourg S.C.A. has been appointed by the Management Company with the consent of the Company to act as Administrative Agent, Domiciliary and Corporate Agent, Paying Agent, Registrar and Transfer Agent and Listing Agent, to carry out all the administrative duties in relation with the central administration of the Company, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company in accordance with the law and the Articles of Association of the Company (collectively referred to as the "**Administrative Agent**"). The Administrative Agent is not responsible for any investment decisions of the Management Company or any of its delegates or the effect of such investment decisions on the performance of the Company.

In its capacity as Domiciliary and Corporate Agent of the Company, State Street Bank Luxembourg S.C.A. carries out any tasks in relation with the preparation of the general meetings of the Shareholders, with the keeping of documents relating to the Company as well as with any other tasks as defined in the agreement.

In its capacity as Registrar and Transfer Agent for the Company, State Street Bank Luxembourg S.C.A. processes all subscriptions, redemptions, conversions, cancellations and transfers of Shares and is keeping the register of Shareholders of the Company.

Moreover the Registrar and Transfer Agent will be responsible for providing and supervising the mailing of reports, notices and other documents to the shareholders, as further described in the above mentioned agreement.

The Management Company with the consent of the Company has further appointed State Street Bank Luxemburg S.C.A. as the Company's paying agent responsible for the payment of any distributions. The Paying Agent will in addition be responsible for the payment of the redemption price of the Shares.

In its capacity as Listing Agent, State Street Bank Luxembourg S.C.A. shall assist the Company at the Company's request in introducing the Company's Shares to the official list of the Luxembourg Stock Exchange ("**LSE**"), with the formalities involved with a listing on the LSE, and to maintain a listing for the Shares on the LSE.

11.6 Risk Manager

Pursuant to the Management Company Agreement, the Management Company is responsible for the risk management of the Company and each of the Sub-Funds. Risk management is an integral part of the investment process. The primary risk management measures that are built into the portfolio construction process, at security level, are liquidity, position size, instrument volatility and directional exposure.

On a portfolio level, the primary risk measures are, where applicable, volatility and stock, sector, market and factor exposures (such as interest rates, currency rates, momentum indicators and valuation measures). The Management Company under the supervision of the Board of Directors has the responsibility for the risk management and may, as the case may be, give instructions at any time to the relevant Sub-Fund's Investment Manager (if any) with a view to complying with the investment restrictions applicable to the Company and the Sub-Funds.

11.7 Distributors, Introducers and Nominees

The Management Company has appointed MLI to act as a global distributor (the "Global Distributor"). The Global Distributor may appoint other (sub-)distributors and/or introducers to distribute Shares of Sub-Funds; if a distributor different from MLI is appointed by the Management Company to distribute Shares of a Sub-Fund. The Global Distributor will ensure that (sub-)distributors have in place adequate procedures to categorise investors under the MiFID client classification rules or local jurisdiction equivalent rules, to determine the suitability of the Company as an investment for any prospective investor.

Distributors and sub-distributors may establish and administer one or more investment plans for the benefit of retail investors wishing to invest in certain Sub-Funds.

The Management Company expects that in relation to Shares to be offered to retail investors the relevant distributor and/or sub-distributor will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors. Whilst and to the extent that such arrangements exist, such underlying investors will not appear in the Register of the Company and will have no direct right of recourse against the Company or the Management Company.

All nominee service providers must be (i) professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (ii) professionals established in a non-FATF member state provided they are a subsidiary of a professional of the financial sector of a FATF member state and they are obliged to follow anti money laundering rules equivalent to those required by Luxembourg law because of internal group policies.

Any distributors, sub-distributors or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder will not be recognised as the registered Shareholder in the Register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements.

Shareholders may subscribe directly to the Company without having to go through a distributor, sub-distributor or nominee.

11.8 FX Hedging

The Sub-Funds may, at the discretion of the respective Investment Manager, attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the non Base Currency Shares. The Management Company, or the Investment Manager with the consent of the Management Company, may entrust MLI or a third party with the execution of such FX hedging function. As further detailed in the relevant Supplement, the Management Company has entrusted State Street Europe Limited with the execution of the FX hedging function for certain Sub-Funds. The costs associated with performing FX hedging shall be borne by the non Base Currency Share Class to which the specific hedge relates. Any profit and loss resulting from FX hedging will be allocated only to the non Base Currency Share Class to which the specific hedge relates. Any entity responsible for the execution of the FX Hedging shall be specified in the Supplement of the relevant Sub-Fund.

12. Fees, Compensation and Expenses borne by the Company

The Company shall bear the following expenses:

(a) All taxes owed on the Company's assets and income;

(b) Bank fees, possible registration and brokerage fees for transactions in securities making up the Company's portfolio, as well as fees on transfers referring to redemptions of Shares;

(c) The Company's Directors' fees and applicable Directors and Officers Insurance;

(d) The cost of extraordinary measures, in particular experts' or counsels' fees or lawsuits necessary to protect Shareholders' interests;

All fees will be determined in accordance with the applicable market standards in Luxembourg and are proportionate to the Net Asset Value of the relevant Sub-Fund.

Fees which are directly attributable to a particular Sub-Fund will be allocated to that Sub-Fund. Expenses which are not directly attributable to a particular Sub-Fund are allocated among the various Sub-Funds pro rata, in proportion to the Net Asset Value of each Sub-Fund. Fees applicable to one Class of Shares may differ from the fees applicable to other Classes of Shares.

Unless otherwise disclosed in the relevant Supplement, fees and other expenses will be borne by each Sub-Fund in the manner, and according to the definitions, set out below.

12.1 Investment Management Fees

The Investment Manager will receive an Investment Management Fee from the Company, as further specified in the relevant Supplement. The Investment Management Fee will be a percentage of the Net Asset Value of the relevant Share Class.

12.2 Performance Fees

The Investment Manager may receive a Performance Fee from the Company, as further specified in the relevant Supplement.

Unless specified otherwise in the relevant Supplement, equalisation methodology is not used in the calculation of the Performance Fee; the Performance Fee is calculated for each Class on a Class-wide basis rather than with respect to increases in value in an individual investor's Shares.

Unless specified otherwise in the relevant Supplement, the Performance Fee will be calculated in respect of each period of 12 months beginning on 1 April and ending on the following 31 March (a "Calculation Period").

Unless specified otherwise in the relevant Supplement, the first Calculation Period will be the period commencing on the Banking Day immediately following the close of the Initial Offering Period of the Relevant Sub-Fund and ending on the following 31 March. The Performance Fee will be calculated and accrued daily as an expense of the relevant Share Class and will be payable to the Investment Manager in arrears within seven Banking days of the end of each Calculation Period. The Performance Fee will be calculated prior to the application of any Anti-Dilution Levy, as described in section 15 below.

The Performance Fee shall be payable by reference to the Net Asset Value of a Share Class of a Sub-Fund in excess of that Share Class's High Water Mark (as defined below), Aggregate Benchmark Amount (as defined below), or combination thereof. The relevant Supplement for each Sub-Fund shall state whether a Performance Fee is payable in relation to a High Water Mark, an Aggregate Benchmark Amount, or a combination thereof.

The Performance Fee will be calculated as a percentage (as defined in the relevant Supplement) of New Net Appreciation (as defined below) calculated by reference to each Share Class's High Water Mark, Aggregate Benchmark Amount, or combination thereof (as specified in the table Summary of Shares).

Unless specified otherwise in the relevant Supplement, the New Net Appreciation of a Share Class shall be calculated by determining the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the sum of the Aggregate Benchmark Amount for such Calculation Period (if applicable) and the High Water Mark. Such amounts then shall be aggregated to give the New Net Appreciation of the relevant Share Class.

Unless specified otherwise in the relevant Supplement, the High Water Mark attributable to a Share Class is either:

(a) the Last Performance Fee Payment Date NAV, subject to adjustment as follows: the Last Performance Fee Payment Date NAV shall be increased when additional subscriptions are made to such Share Class (by the amount of the subscription), and shall be reduced proportionately whenever a redemption is made or a dividend is paid from such Share Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of such Share Class immediately after, and the denominator of which is the Net Asset Value of such Share Class immediately prior to, such redemption or dividend (Net Asset Value of the Share Class in each case to be calculated prior to reduction for any accrued Performance Fee.); or

(b) if no Performance Fee has ever been paid, then the aggregate Subscriptions minus the aggregate redemptions and dividends from the relevant Share Class through the date of determination.

The "Benchmark" means the performance benchmark for the relevant Share Class, as set out in the relevant Supplement.

The Benchmark Amount equals the Benchmark (as defined below) multiplied by the High Water Mark of the relevant Share Class. The calculation equals the Benchmark percentage rate multiplied by the High Water Mark of the relevant Share Class.

The "Aggregate Benchmark Amount" for each Calculation Period equals the sum of the Benchmark Amounts calculated throughout the relevant Calculation Period and is reset where the Net Asset Value of the relevant Share Class as of the end of the prior Calculation Period exceeds the sum of the Aggregate Benchmark Amount and the High Water Mark.

If a redemption is made from the relevant Share Class as of a date other than 31 March, a Performance Fee (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager 14 Banking Days after the Dealing Day (or upon termination of the Investment Management Agreement, if earlier). Crystallised Performance Fees shall remain in the relevant Share Class until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Share Class. If a redemption is made the High Water Mark is proportionately adjusted downwards. If a subscription is made the High Water Mark is proportionately adjusted upwards.

If the appointment of the Investment Manager is terminated during a period when there is an accrued Performance Fee (the "Performance Period"), the Performance Fee in respect of the current Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

12.3 Distribution Fees

The Management Company will receive a Distribution Fee from the Company, as further specified in the relevant Supplement. In addition, the Management Company, the Global Distributor or the relevant sub-distributor (as the case may be) may apply the Sales Charge as further specified in the relevant Supplement. The fees and commissions payable to the Management Company shall include any fees and/or commissions payable by the Management Company to the Global Distributor and any sub-distributor which may be appointed by the Global Distributor. The Distribution Fee shall be calculated and accrued daily as an expense of the relevant Share Class payable monthly in arrears.

The Distribution Fee is intended to cover various costs, including, but not limited to the following:

- The cost of printing prospectuses, confirmations or certificates, and the costs of preparing and filing administrative documents, prospectuses and explanatory memoranda with all the authorities, including official associations of brokers, having jurisdiction over the Company and the issue of the Company’s Shares;
- The cost of preparing and distributing, in languages required in the interest of Shareholders, of annual and semi-annual reports and other reports and documents required in accordance with the laws or regulations of the authorities designated above, the cost of preparing and distributing notices to Shareholders, the fees of independent legal and expert advice and all similar operating costs;
- The expenses relating to the printing and distribution of sales literature of any kind relating to the Company and its Sub-Funds and advertising and promotional costs of any kind (unless borne by the Company); and,
- The fees and reasonable out-of-pocket expenses relating to the ongoing costs of registrations of the Company and its Sub-Funds with any regulatory authority other than Luxembourg. These costs will include, but not be limited to, the costs and expenses of any rating agency, of listing and maintaining a listing of the Shares on any Stock Exchange and fees payable to an index sponsor, of legal advice, translation, paying agents, NAV publication in newspapers and jurisdictional tax disclosure requirements.

12.4 Administrative and Operating Fee

The Management Company will receive an Administrative and Operating Fee from the Company, as further specified in the relevant Supplement. The Administrative and Operating Fee will be a percentage of the Net Asset Value; the percentage of the Administrative and Operating Fee will be specified in the relevant Supplement. The Administrative and Operating Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

The Administrative and Operating Fee is intended to cover the fees and expenses connected with the establishment, management and operation of the Company and each Sub-Fund including, but not limited to:

- The initial establishment and offering expenses (including the lump sum capital levy, legal and accounting fees) of the Company and any Sub-Funds launched;
- The fees and reasonable out of pocket expenses of the Depositary (including other banks and financial institutions entrusted by the Depositary with the custody of assets) and Administrative Agent; and

– Audit fees, professional advisers, the ongoing costs of registrations of the Company and its Sub-Funds with any regulatory authority in Luxembourg, the costs and expenses of any rating agency, the costs and expenses of listing and maintaining a listing of the Shares on any Stock Exchange, fees payable to an index sponsor and the cost of directors' and officers' liability insurance policies.

In the event that the Administrative and Operating Fee received by the Management Company is insufficient to cover the fees and expenses referred to above, the Management Company will cover any shortfall. Similarly, any surplus will revert to the Management Company.

13. Dividends

Dividends will only be paid in respect of the distribution Share Classes. No dividends will be paid in respect of the capitalisation Share Classes. Each year the general meeting of Shareholders will decide, based on a proposal from the Board of Directors, for each Sub-Fund and for both distribution and capitalisation Shares, on the use of the balance of the year's net income of the investments. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000.

The year's net income of each Sub-Fund will be spread across, on the one hand, all the distribution Shares and on the other hand, all capitalisation Shares, in proportion of the net income corresponding to the Class of Shares in question. The part of the year's net income corresponding to distribution Shares will be distributed to the holders of the distribution Shares either in cash or Shares. The part of the year's net income corresponding to capitalisation Shares will be capitalised in the relevant Sub-Fund for the benefit of the capitalisation Shares. At the same time as dividends are paid to distribution Shares, the part of the net assets of the Sub-Fund to be allocated to all the distribution Shares will be reduced by the global amount of the dividends paid out. The part of the net assets of the Sub-Fund to be allocated to capitalisation Shares will increase. Over and above the distributions mentioned in the preceding paragraph, the Board of Directors may decide to pay interim dividends in the form and under the conditions provided by law.

Payments will be made in the Base Currency of the relevant Sub-Fund. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends shall be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund.

Interim dividends may be declared at any time in respect of each Sub-Fund by the Board of Directors and will be ratified by the Shareholders of the Sub-Fund concerned at the annual general meeting of Shareholders.

14. Tax Aspects

The following is a summary of relevant tax laws in selected jurisdictions. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares nor does it constitute legal or tax advice. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely.

Shareholders and prospective investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.

The following tax law summaries are based on the tax rules in force in April 2017 and this tax information can be affected by subsequent changes in law or changes in the application of the law.

Luxembourg

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of the Shares of the Company. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell the Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it construed to be, legal or tax advice. Prospective purchasers of the Shares should consult their own tax advisers as to the applicable tax consequences of the ownership of the Shares, based on their particular circumstances. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this document and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only.

Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Corporate investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

14.1 Luxembourg taxation of the Company

The Company is exempt from Luxembourg income and net wealth tax, and dividends paid by the Company (if any) are exempt from dividend withholding tax.

The Company is subject to an annual subscription tax computed on the Company's net asset value, calculated on the last valuation day of each quarter and payable in four instalments. The normal rate is 0.05%. The rate could be reduced to 0.01% if certain conditions are met e.g. if the Company exclusively invests in money market instruments and/or bank deposits. The subscription tax is reduced to nil for funds investing in other Luxembourg funds, which have already been subject to subscription tax.

The establishment of the Company and the amendments to the Articles are subject to a fixed registration duty of EUR 75.

The income received by the Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, would normally not be refundable and it is not certain whether the Company itself would be able to benefit from Luxembourg's double tax treaties network. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, certain double tax treaties signed by Luxembourg may directly be applicable to the Company.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Company.

In Luxembourg, regulated investment funds such as the Company have the status of taxable persons for value added tax ("**VAT**") purposes. Accordingly, the Company is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its investors, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

14.2 Luxembourg tax residency of the Shareholders

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding of the Shares, or the execution of rights resulting from the Shares.

14.3 Luxembourg Taxation of the Shareholders

14.3.1 Luxembourg non-resident Shareholders

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not liable to any Luxembourg income tax.

Non-resident corporate Shareholders which have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable, must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

14.3.2 Luxembourg resident Shareholders

(i) Luxembourg fully taxable corporate Shareholders

Luxembourg resident corporate Shareholders (sociétés de capitaux) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes, which will be taxed at 27.08% for 2017 (in Luxembourg City). The same inclusion applies to individual Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

(ii) Luxembourg fully taxable corporate Shareholders

Luxembourg resident corporate Shareholders (sociétés de capitaux) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes, which will be taxed at 27.08% for 2017 (in Luxembourg City). The same inclusion applies to individual

Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

(iii) Luxembourg tax-exempt Shareholders

Shareholders which would be incorporated under the form of (i) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (ii) an undertaking for collective investment subject to the Law of 17 December 2010, (iii) a family wealth management company subject to the amended law of 11 May 2007, (iv) a specialised investment fund governed by the amended law of 13 February 2007 and (v) a reserved alternative investment fund treated as specialised investment fund for Luxembourg tax purposes and governed by the law of 23 July 2016 are tax-exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

(iv) Luxembourg resident Shareholders

Any dividends received and other payments derived from the Shares received by resident individuals, who act in the course of either their private wealth or their professional/business activity, are subject to income tax at the progressive ordinary rate (with a top marginal rate of 45.78% for 2017). Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders, acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption took place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his spouse or partner and/or his minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Company or (ii) the taxpayer acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

14.4 Net wealth tax

Luxembourg resident Shareholders and non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the Law of 17 December 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007 on specialised investment funds, (vi) a family wealth management company governed by the amended law of 11 May

2007, (vii) a professional pension institution governed by the amended law of 13 July 2005, or (viii) a reserved alternative investment fund governed by the law of 23 July 2016.

However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law of 13 July 2005 and (iv) a reserved alternative investment fund opting to be treated as a venture capital vehicle for Luxembourg tax purposes and governed by the law of 23 July 2016 remain subject to minimum net wealth tax according to the amended law of 16 October 1934 on net wealth tax.

14.5 Other taxes

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his/her taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied in the Grand Duchy of Luxembourg on the transfer of the Shares upon death of an individual Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of the Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

14.6 FATCA

Capitalised terms used in this section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.

As part of the process of implementing FATCA, Luxembourg has entered into a Model I IGA, implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by U.S. Specified Persons and non-U.S. financial institutions that do not comply with FATCA and, if any, to the Luxembourg tax authorities.

Being established in Luxembourg, the Company is likely to be treated as a Foreign Financial Institution.

This status imposes on the Company the obligation to regularly obtain and verify information on all of its Shareholders. Upon request of the Company, each Shareholder shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Company within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

FATCA may result in the obligation for the Company to disclose the name, address and taxpayer identification number (if available) of the Shareholder as well as information like account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Additionally, the Company is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company is to be processed in accordance with the amended Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax or penalties as a result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. A failure for the

Company to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends as well as penalties.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any taxes and/or penalties imposed on the Company attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

14.7 CRS

Capitalised terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

The Company may be subject to the CRS as set out in the CRS Law as well as in the OECD's multilateral competent authority agreement on automatic exchange of financing account information signed on 28 October 2014 in Berlin, with effect as of 1 January 2016.

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Company will be required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors qualifying as Reportable Persons and (ii) Controlling Persons of certain Non-Financial Entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

Additionally, the Company is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the amended Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data.

The Shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The shareholders further undertake to inform the Company within thirty (30) days of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the Company’s Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such Shareholder’s failure to provide the Information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

Shareholders commit to provide the Company with the information required for CRS purposes along with the required supporting documentary evidence.

Shareholders undertake to inform their controlling persons (who are natural persons exercising control over an entity, as defined by CRS), if applicable, of the processing of their personal data.

14.8 Prevention of the facilitation of tax evasion

The Company maintains its own policies and procedures to prevent the facilitation of tax evasion which apply to all its employees, agents and any other associated parties that provide service for and on its behalf.

Consequently, neither the Management Company's staff, Investment Manager's staff or associated persons will engage in consent to, or connive in any activity, practice or conduct which would deliberately and criminally facilitate the evasion of any tax, whether UK or foreign. The Company is also committed to ensuring that it only works with third parties who have similar standards and values and may request written confirmation from any such third party that they maintain their own reasonable prevention procedures as a condition of any contractual business arrangement. This includes any business in which the Sub-Funds invest. It is the Company's expectation that any businesses in which the Sub-Funds invest will comply with all local legal and regulatory obligations.

14.9 US Persons

Permitted US Persons should read the US Supplement for a discussion of certain tax and other considerations.

15. Calculation and Suspension of Net Asset Value

The Company, each Sub-Fund and each Class of Shares in a Sub-Fund have a Net Asset Value determined in accordance with the Company’s Articles of Association. The reference currency of the Company is the Euro. The Net Asset Value of each Sub-Fund shall be calculated in the Base Currency of the Sub-Fund and the Net Asset Value of each Class of Shares shall be directly calculated in the Reference Currency of the Class, and shall be determined by the Administrative Agent on each Valuation Day as stipulated in the Supplement relating to the relevant Sub-Fund, by calculating the aggregate of:

(a) the value of all assets of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Company’s Articles of Association; less

(b) all the liabilities of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Company’s Articles of Association, and all fees attributable to the relevant Sub-Fund, which fees have accrued but are unpaid on the relevant Valuation Day.

The Net Asset Value per Share shall be calculated in the Base Currency of the relevant Sub-Fund and shall be calculated by the Administrative Agent on the Valuation Day of the relevant Sub-Fund by dividing the Net Asset Value of the relevant Sub-Fund by the number of Shares which are in issue on such Valuation Day in the relevant Sub-Fund (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

If the Sub-Fund has more than one Class of Shares in issue, the Administrative Agent shall calculate the Net Asset Value for each Class of Shares by dividing the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class of Shares by the number of Shares of such Class in the relevant Sub-Fund which are in issue on such Valuation Day (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

The Net Asset Value per Share may be rounded up or down to the nearest whole unit of the currency in which the Net Asset Value of the relevant Shares is calculated.

The allocation of assets and liabilities of the Company between Sub-Funds (and within each Sub-Fund between the different Classes of Shares) shall be effected so that:

(a) The subscription price received by the Company on the issue of Shares, and reductions in the value of the Company as a consequence of the redemption of Shares, shall be attributed to the Sub-Fund (and within that Sub-Fund, the Class of Shares) to which the relevant Shares belong.

(b) Assets acquired by the Company upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class of Shares) shall be attributed to such Sub-Fund (or Class of Shares in the Sub-Fund).

(c) Assets disposed of by the Company as a consequence of the redemption of Shares and liabilities, expenses and capital depreciation relating to investments made by the Company and other operations of the Company, which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class of Shares) shall be attributed to such Sub-Fund (or Class of Shares in the Sub-Fund).

(d) Where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-Fund (and within a Sub-Fund, to a specific Class of Shares) the consequences of their use shall be attributed to such Sub-Fund (or Class of Shares in the Sub-Fund).

(e) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one Sub-Fund (or within a Sub-Fund, to more than one Class of Shares), they shall be attributed to such Sub-Funds (or Classes of Shares, as the case may be) in proportion to the extent to which they are attributable to each such Sub-Fund (or each such Class of Shares).

(f) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques cannot be attributed to a particular Sub-Fund they shall be divided equally between all Sub-Funds or, in so far as is justified by the amounts, shall be attributed in proportion to the relative Net Asset Value of the Sub-Funds (or Classes of Shares in the Sub-Fund) if the Company, in its sole discretion, determines that this is the most appropriate method of attribution.

(g) Upon payment of dividends to the Shareholders of a Sub-Fund (and within a Sub-Fund, to a specific Class of Shares) the net assets of this Sub-Fund (or Class of Shares in the Sub-Fund) are reduced by the amount of such dividend.

The assets of the Company will be valued as follows:

(a) Securities or Money Market Instruments quoted or traded on an official stock exchange or any other Regulated Market, are valued on the basis of the last known price, and, if the securities or Money Market Instruments are listed on several stock exchanges or Regulated Markets, the last known price of the stock exchange which is the principal market for the security or Money Market Instrument in question, unless these prices are not representative.

(b) For securities or Money Market Instruments not quoted or traded on an official stock exchange or any other Regulated Market, and for quoted securities or Money Market Instruments, but for which the last known price is not representative, valuation is based on the probable sales price estimated prudently and in good faith by the Board of Directors.

(c) Units/shares issued by open-ended investment funds shall be valued at their last available net asset value.

(d) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other Regulated Markets shall be determined pursuant to the policies established in good faith by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Banking Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may, in good faith and pursuant to verifiable valuation procedures, deem fair and reasonable.

(e) Liquid assets and Money Market Instruments with a maturity of less than 12 months may be valued at nominal value plus any accrued interest or using an amortised cost method (it being understood that the method which is more likely to represent the fair market value will be retained). This amortised cost method may result in periods during which the value deviates from the price the relevant Fund would receive if it sold the investment. The Investment Manager may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Board of Directors. If the Board of Directors believes that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Board of Directors shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

(f) The swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows. For certain Sub-Funds using OTC Derivatives as part of their main investment policy, the valuation method of the OTC Derivative will be further specified in the relevant Supplement relating to that Sub-Fund.

(g) Accrued interest on securities shall be included if it is not reflected in the share price.

(h) Cash shall be valued at nominal value, plus accrued interest.

(i) All assets denominated in a currency other than the Base Currency of the respective Sub-Fund shall be converted at a mid-market conversion rate between the Base Currency and the currency of denomination.

(j) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above subparagraphs would not be possible or practicable, or would not be representative of their fair value, will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

To assess the materiallity concept in the context of NAV calculation errors, the Company will, pursuant to the terms of the CSSF Circular 02/77, apply the following tolerance thresholds depending on the type of each Sub-Fund, as further indicated in the relevant Supplement:

Type of Sub-Funds	**Tolerance Threshold**
Money marketUCIs/cash funds	0.25% of NAV
Bond UCIs	0.50% of NAV
Shares and other financial assets' UCIs	1.00% of NAV
Mixed UCIs	0.50% of NAV

In certain circumstances, subscriptions and redemptions in a Sub-Fund may have a negative impact on the Net Asset Value per Share. Where subscriptions and redemptions in a Sub-Fund cause the Sub-Fund to buy and/or sell underlying investments, the value of these investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes. This investment activity may have a negative impact on the Net Asset Value per Share called "dilution". In order to protect existing or remaining investors from the potential effect of dilution, the Company may apply an Anti-Dilution Levy as further explained below.

If specified in the relevant Supplement, an extra charge may be levied by the Company on investors subscribing or redeeming Shares of a Sub-Fund to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions (called the Anti-Dilution Levy). The rate of the Anti-Dilution Levy will be set by the Board of Directors from time to time for each Sub-Fund so as to represent the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments. A periodical review will be undertaken in order to verify the appropriateness of the Anti-Dilution Levy in view of market conditions.

The Board of Directors will determine if the Anti-Dilution Levy will apply to all investors subscribing or redeeming Shares on a Dealing Day or if the Anti-Dilution Levy will apply only on a Dealing Day where net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-Fund (called the anti-dilution threshold).

The Anti-Dilution Levy will have the following effect on subscriptions or redemptions:

(a) on a Sub-Fund experiencing levels of net subscriptions on a Dealing Day (i.e. subscriptions are greater in value than redemptions) (in excess of the anti-dilution threshold, if applicable) the Anti-Dilution Levy will be added as a premium to the subscription price; and

(b) on a Sub-Fund experiencing levels of net redemptions on a Dealing Day (i.e. redemptions are greater in value than subscriptions) (in excess of the anti-dilution threshold, if applicable) the Anti-Dilution Levy will be deducted as a discount to the redemption price.

The Anti-Dilution Levy will be allocated to the assets of the Sub-Fund and will, therefore, benefit the existing or remaining investors.

16. Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares

The Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-Fund, the issue of the Shares of such Sub-Fund to subscribers and the redemption of the Shares of such Sub-Fund from its Shareholders as well as conversions of Shares of any Class in a Sub-Fund:

(a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the Company, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Company are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;

(b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board of Directors, disposal of the assets of the Company is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;

(c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the Company or if, for any reason beyond the responsibility of the Board of Directors, the value of any asset of the Company may not be determined as rapidly and accurately as required;

(d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Company's assets cannot be effected at normal rates of exchange;

(e) during any period when the dealing of the units/shares of one or more investment vehicle in which any Sub-Fund has invested a significant part of its assets or the calculation of the net asset value of such investment vehicle is restricted or suspended or when a significant proportion of the assets of any Sub-Fund cannot be calculated with accuracy; or

(f) during any relevant period when a Sub-Fund merges with another Sub-Fund or with another UCITS (or a sub-fund of such other UCITS) provided any such suspension is justified for the protection of the Shareholders.

In addition, the occurrence of a Market Disruption Event may result in a suspension of valuations and issue, redemption and conversion of Shares for certain Sub-Funds, as specified in the Supplement for these Sub-Funds.

Any such suspension may be notified by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company shall notify Shareholders requesting redemption of their Shares of such suspension. The determination of the Net Asset Value of Shares of any Sub-Fund, the issue of the Shares of any Sub-Fund to subscribers and the redemption and conversion of Shares by Shareholders may also be suspended in the event of the publication of a notice convening an extraordinary general meeting of Shareholders for the purpose of winding up the Company as from the time of such publication.

17. General Information

17.1 Auditor

The independent auditor for the Company is PricewaterhouseCoopers.

17.2 Fiscal Year

The accounts of the Company are closed at 31st March each year.

17.3 Reports and Notices to Shareholders

Audited annual reports as of the end of each fiscal year will be established on 31 March. In addition, unaudited semi-annual reports will be established as per the last day of the month of September. Financial reports will provide information on each of the Sub-Fund's assets as well as the consolidated accounts of the Company and will be made available to the Shareholders free of charge at the registered office of the Company and of the Depositary and at www.funds-invest.baml.com/tools/legaldocuments.

The financial statements of each Sub-Fund will be established in the Base Currency of the Sub-Fund but the consolidated accounts will be in EUR.

Audited annual reports shall be published within four months following the end of the accounting year and unaudited semi-annual reports shall be published within two months following the end of period to which they refer.

Information on the Net Asset Value, the subscription price (if any) and the redemption price may be obtained at the registered office of the Company.

Notices to Shareholders may be published in the *Luxemburger Wort* and/or in any other newspaper(s) in those countries where the Shares are sold, as determined by the Board of Directors from time to time. Notices to Shareholders are available at www.funds-invest.baml.com/tools/legaldocuments.

17.4 Shareholders' meetings

The annual general meeting of the Shareholders in the Company shall be held at the registered office of the Company or on the place specified in the convening notice on the last Monday in the month of July each year at 12 noon Luxembourg time or, if this day is not a Banking Day, on the next following Banking Day. Notices of all meetings shall be sent to holders of registered Shares at their address indicated in the Company's share register. If bearer Shares are in issue, notices of general meetings shall be published in one Luxembourg newspaper and in the Recueil électronique des sociétés et associations and, if required, in such other newspapers as the Directors shall determine.

Such notices shall contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they shall refer to the applicable quorum and majority requirements, including that the majority rules of the meeting will be determined in respect of the Shares as issued at 12.00 p.m. Luxembourg time, five days preceding such meeting. The meetings of Shareholders of a particular Sub-Fund may decide on matters which are relevant only for the Sub-Fund concerned.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

17.5 Documents available to investors

The following documents shall also be available for inspection by Shareholders during normal business hours on any Banking Day at the registered office of the Company:

(a) the Management Company Agreement;

(b) the Depositary Agreement and Administration Agreement; and

(c) the Articles of Association of the Company.

17.6 Changes of Address

Registered Shareholders must notify the Registrar and Transfer Agent in writing, at the address indicated above, of any changes or other account information.

17.7 Data protection

In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, and local laws and regulations where applicable, the Company, as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Company of investors ("Personal Data"). The investor may at his/her discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request for Shares. Each investor has a right to access his/her Personal Data and may ask for Personal Data to be rectified where it is inaccurate or incomplete by writing to the Company at its registered office.

Personal Data supplied by investors is processed, in particular, for the purposes of processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and compliance with applicable anti-money laundering rules. Personal Data supplied by Shareholders is also processed for the purpose of maintaining the register of Shareholders of the Company.

To this end, Personal Data may be transferred to affiliated and third-party entities supporting the activities of the Company which include, in particular, the Management Company, Administrative Agent, Domicilary and Corporate Agent, Registrar and Transfer Agent, Paying Agents, Investment Managers, Distributors and the Custodian that are located in the European Union.

Personal Data may also be transferred to entities located in countries outside of the European Union and whose data protection laws may not offer an adequate level of protection, including in particular to entities located in India, the U.S. and Hong Kong. Such entities include SWIFT (Society for Worldwide Interbank Financial Telecommunications (which has operations outside of the European Union, including but not limited to in the U.S.) and State Street Syntel Services Private Ltd (which has operations in India).

In subscribing for Shares, each investor expressly consents and agrees to the transfer and processing of his/her Personal Data to the entities referred to above. The Company may also transfer Personal Data to third-parties such as governmental or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

18. Liquidation, Merger of Sub-Funds

The duration of the Company is not limited by the Articles of Association. The Company may be wound up by decision of an extraordinary general meeting of Shareholders in accordance with the legal majority and quorum requirements applicable for the amendment of the Articles. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (i.e. EUR 1,250,000), the Board of Directors must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed and which shall pass resolutions by simple majority of the Shares represented at the meeting.

If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board of Directors must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of 40 days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

If the Company is dissolved, the liquidation shall be carried out by one or several liquidators appointed in accordance with the provisions of the Law of 17 December 2010. The decision to dissolve the Company will be published in the Recueil électronique des sociétés et associations and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-Fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-Fund according to their respective prorata. Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Company or any of its Sub-Funds will be deposited with the Caisse de Consignation in Luxembourg for a duration of 30 years. If amounts deposited remain unclaimed beyond the prescribed time limit, they shall be forfeited.

The Board of Directors may decide to liquidate any Sub-Fund if a change in the economic or political situation relating to the Sub-Fund concerned justifies such liquidation or if the assets of a Sub-Fund fall to a level that no longer allow the Sub-Fund to be managed in an economically efficient and rational manner, if a redemption request is received that would cause any Sub-Fund's assets to fall under the aforesaid level, if the Board of Directors deems it appropriate to rationalise the Sub-Funds offered to investors, or if the Board of Directors deems it to be in the best interest of the Shareholders, after giving notice to the Shareholders concerned, to the extent required by Luxembourg laws and regulations on the Valuation Day provided in such notice at the Net Asset Value without any dealing or redemption charges. Unless the Board of Directors decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the redemption and conversion price.

If a Sub-Fund qualifies as a feeder UCITS of another UCITS or one of its sub-funds, the merger or liquidation of such master UCITS triggers liquidation of the feeder Sub-Fund, unless the Board of Directors decides, in accordance with the Articles and the Law of 17 December 2010, to replace the master UCITS with another master UCITS or to convert the feeder Sub-Fund into a standard UCITS Sub-Fund.

Any amounts unclaimed by the Shareholders at the closing of the liquidation of a Sub-Fund will be deposited with the Caisse de Consignation in Luxembourg for a duration of 30 years. If amounts deposited remain unclaimed beyond the prescribed time limit, they shall be forfeited.

The Board of Directors may decide, in compliance with the procedures laid down in the Law of 17 December 2010, to merge any Sub-Fund with another UCITS or a sub-fund within such UCITS (whether established in Luxembourg or another Member State or whether such UCITS is incorporated as a company or is a contractual type fund) under the provisions of the UCITS Directive. Such merger will be binding on the Shareholders of the relevant Sub-Fund upon thirty days' prior written notice thereof given to them, during which Shareholders may redeem their Shares, it being understood that the merger will take place five Luxembourg Banking Days after the expiry of such notice period. The request for redemption of a Shareholder during the above mentioned period will be treated without any cost, other than the cost of disinvestment.

Alternatively, the Board of Directors may propose to the Shareholders of any Sub-Fund to merge the Sub-Fund with another UCITS or a sub-fund within such UCITS (whether established in Luxembourg or another Member State or whether such UCITS is incorporated as a company or is a contractual type fund) under the provisions of the UCITS Directive.

To the extent that a merger has been proposed to the Shareholders of a Sub-Fund or has as a result that the Company ceases to exist, such merger needs to be decided at a duly convened general meeting of the Sub-Fund concerned, respectively at a duly convened general meeting of the Shareholders, which may be validly held without quorum and decided by a simple majority of the Shares present or represented and voting at such meeting.

19. Information required by the securities laws of certain jurisdictions

Taiwan

The Company has not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstance which constitutes an offer within the meaning of the Securities and Exchange Act and the Securities Investment Trust and Consulting Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer or sell the Funds in Taiwan, the Republic of China.

Vietnam

No transaction involving the Shares may take place in the Socialist Republic of Vietnam ("**Vietnam**") and the Shares will not be settled or redeemed in Vietnam. The investor shall be responsible for complying with the Vietnamese government's regulations on remittance of funds out of, receipt of funds outside of, or remittance of funds into Vietnam.

China

The Shares are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws and funds laws of the People's Republic of China.

India

No offer or invitation to purchase or subscribe for the Shares of the Company is intended to be made through this Prospectus or any amendment or supplement thereto, to the public in India. Neither this Prospectus nor any amendment or supplement thereto has been or will be registered as a 'prospectus' under the provisions of the (Indian) Companies Act, 1956, nor has this Prospectus nor any amendment or supplement thereto been reviewed, approved, or recommended by the Registrar of Companies or the Securities and Exchange Board of India or any other Indian regulatory authority. Accordingly, no person may offer nor make the Shares the subject of an invitation for subscription or purchase, nor may this Prospectus or any amendment or supplement thereto or any other document, material, notice, circular or advertisement in connection with the offer or sale or invitation for subscription or purchase of any Shares ("**Offer**") be circulated or distributed whether directly or indirectly to, or for the account or benefit of, any person resident in India, other than strictly on a private and confidential basis and so long as any such Offer is not calculated to result, directly or indirectly, in the Shares becoming available for subscription or purchase by persons other than those receiving such offer or invitation, provided that in any event the Offer shall not be made, directly or indirectly, to persons exceeding 49 in number or any other number as may be specified under the (Indian) Companies Act, 1956 from time to time.

Any Offer and sale of Shares to a person in India shall be made only in compliance with all applicable Indian laws including, without limitation, the Foreign Exchange Management Act, 1999, as amended, and any guidelines, rules, regulations, circulars, notifications, etc. issued by the Reserve Bank of India.

20. Commodity Futures Trading Commission Registration Exemption Notice

The following statement is made with respect to each Sub-Fund with Permitted US Person investors, and incorporated into the Supplement for each such Sub-Fund by reference:

THE MANAGEMENT COMPANY HAS OBTAINED NO-ACTION RELIEF FROM THE DIVISION OF SWAP DEALER AND INERMEDIARY OVERSIGHT OF THE US COMMODITY FUTURES TRADING COMMISSION ("CFTC") FROM REGISTRATION AS A COMMODITY POOL OPERATOR ("CPO") AS PROVIDED IN CFTC LETTER NO. 15-46 DATED MAY 8, 2015 WITH RESPECT TO ITS OPERATION OF THIS SUB-FUND. AS A RESULT, THE MANAGEMENT COMPANY IS NOT, AMONG OTHER THINGS, REQUIRED TO PROVIDE PROSPECTIVE SHAREHOLDERS WITH A DISCLOSURE DOCUMENT CONTAINING CFTC PRESCRIBED DISCLOSURES OR TO PROVIDE CERTIFIED ANNUAL REPORTS TO SHAREHOLDERS OF THIS SUB-FUND.

THE MANAGEMENT COMPANY'S ELIGIBILITY FOR THE EXEMPTION FROM CPO REGISTRATION WITH RESPECT TO THE OPERATION OF THIS SUB-FUND IS SET FORTH IN CFTC LETTER NO. 15-46 DATED MAY 8, 2015. THE LETTER HAS BEEN GRANTED BASED ON THE FACT THAT: (1) THE OFFER AND SALE OF THIS SUB-FUND'S SHARES ARE EXEMPT FROM REGISTRATION UNDER THE US SECURITIES ACT OF 1933 AND ARE NOT AND WILL NOT BE MARKETED TO THE PUBLIC IN THE UNITED STATES AS A VEHICLE FOR TRADING IN THE COMMODITY FUTURES OR COMMODITY OPTIONS MARKETS; AND (2) PARTICIPANTS IN THIS SUB-FUND ARE LIMITED TO NON-US PERSONS AND PERMITTED US PERSONS.

"PERMITTTED US PERSON" MEANS, WITH RESPECT TO A SUB-FUND, (I) ITS INVESTMENT MANAGER, (II) ANY PRINCIPAL (AS THAT TERM IS DEFINED IN CFTC RULE 3.1) OF THE INVESTMENT MANAGER, (III) "KNOWLEDGEABLE EMPLOYEES", WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OF AN INVESTMENT MANAGER, (IV) THE CHILD, SIBLING OR PARENT OF ANY OF THE PERSONS DESCRIBED IN (I), (II) OR (III), AND (V) THE SPOUSES OF ANY PERSON DESCRIBED IN (I), (II), (III), OR (IV). ENTITIES THAT ARE (I) NOT FORMED FOR THE PURPOSE OF ACQUIRING SHARES AND CONTROLLED BY PERMITTED US PERSONS, AND (II) OWNED SOLELY BY PERMITTED US PERSONS, ALSO SHALL BE CONSIDERED PERMITTED US PERSONS.

PERMITTED US PERSONS ARE REQUIRED TO BE THE BENEFICIAL OWNER OF THE SHARES, AND ARE PROHIBITED FROM HOLDING OWNERSHIP, DIRECTLY OR INDIRECTLY, FOR ANY OTHER PERSON OR ENTITY.

UNDER THE TERMS OF CFTC LETTER NO.15-46 DATED MAY 8, 2015 THE INVESTMENT MANAGER IS REQUIRED TO REDEEM THE SHARES OF ANY PEMITTED US PERSON NO LATER THAN TWO CALENDAR YEARS FROM THE DATE OF THE SEED CAPITAL INVESTMENT BY SUCH PERMITTED US PERSON IN ANY SUB-FUND.

Additional Information for Investors in the Federal Republic of Germany

Marcard, Stein & Co AG, Ballindamm 36, D-20095 Hamburg, has undertaken the function of Paying and Information Agent for the Company in the Federal Republic of Germany (the “German Paying and Information Agent”).

Applications for the redemption and conversion of Shares may be sent to the German Paying and Information Agent.

All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Paying and Information Agent.

The Prospectus, the key investor information documents, the Articles of Association of the Company and the annual and semi-annual reports may be obtained, free of charge, in hardcopy form at the office of the German Paying and Information Agent during normal opening hours.

Any other information to the Shareholders, the issue, redemption and conversion prices of Shares will be published on the following website www.funds-invest.baml.com

This information is also available, free of charge, from the German Paying and Information Agent during normal opening hours. The mentioned documents under Section 16.5 “Documents available to investors” are also available for inspection at the office of the German Paying and Information Agent.

In addition, communications to investors in the Federal Republic of Germany are sent by means of a durable medium (§ 167 Investment Code) in the following cases:

- suspension of the redemption of the Shares,
- termination of the management of the Company/Sub-fund or its liquidation,
- any amendments to the Articles of Association which are inconsistent with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the Company/Sub-fund with one or more other funds and
- the change of the Company/Sub-fund into a feeder fund or the modification of a master fund.

Taxation

The following is a summary of relevant German tax laws. It does not purport to be a complete analysis of all tax considerations relating to the holding of investment funds’ units. Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing investment funds’ units.

The following summary is applicable at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position at the time of an investment in the fund will not change.

Overview of publication requirements

The tax reporting obligations for both foreign and German investment funds are regulated by the German Investment Tax Act (the "GInvTA"). For a fund to qualify as investment fund in the meaning of the GInvTA, the fund has to comply with certain criteria as outlined in § 1 para. 1b GInvTA. In case the fund does not fulfil all requirements for an investment fund, the investors will be taxed according to the regular German tax laws.

In order to qualify as “tax transparent” and being in principal tax beneficial for the German investors the investment fund has to fulfil a number of legal prerequisites. These requirements have to be met for each financial year and the status can therefore be changed from one financial year to another. Not fulfilling all requirements generally lead to disadvantageous taxation for the investors.

The GInvTA explicitly states that a tax transparent investment fund has to prepare its German tax reporting figures according to German tax law. This reporting has to be prepared per type of investors (private investors, institutional corporate investors and institutional non-corporate investors) as the type of revenues generated by the investment fund will be taxed differently. Additionally a certificate is required confirming the fulfilment of these requirements according to § 5 GInvTA. The certificate may be provided by a German (or foreign) tax advisor, auditor or lawyer.

In the case of distributions, the investment fund has to publish several pieces of tax data in order to allow the investor to benefit from the relevant applicable tax advantages. In cases where the investment fund does not (fully) distribute its ordinary income (calculated on the basis of German requirements) to the investor, the income is (partially) deemed to be distributed at the end of the investment fund's business year and subject to taxation at investor level.

The publication of the tax figures has to be done in the German Federal Gazette (“Bundesanzeiger”) in German and per unit. The deadline for the publication is generally four months after the business year-end of the investment fund. For distributing investment funds / share classes, there is a potential prolongation in cases where the distribution resolution is made within four months after the business year-end of the investment fund.

Another important requirement to achieve tax transparency is the publication of the accumulated deemed distribution income (ADDI). The ADDI represents the sum of the taxable basis which was not distributed and not subject to withholding tax in previous years. The ADDI is used to collect the relevant withholding tax amount in case of redemptions of shares/units by the investors. Thus, the investment fund has to publish, on a NAV calculation period basis, the ADDI together with the redemption price. The ADDI is not subject to a tax certificate. However, upon request by the German Federal Central Office for Taxes, it can be subject to a tax audit.

Business Institutional investors have the possibility of profiting from (partly) tax exempt dividend income and capital gains on equities generated by the investment fund. To be in a position to profit from these benefits, the investment fund should publish the net equity gain (“Equity Gains” or “Aktiengewinn”) on a NAV-calculation-period-basis. The equity gain represents the earned equity portion in the investment fund portfolio. Nevertheless the non-publication of the equity gain has no impact on the tax transparent status.

This also applies to Corporate Institutional investors but only from capital gains on equities generated by the investment fund. To be in a position to profit from these benefits, the investment fund should publish the net equity gain excluding dividend income (“Equity Gains II” or “Aktiengewinn II”) on a NAV-calculation-period-basis.

The so called "Immobiliengewinn” is another tax calculation, which can be beneficial for German investors. It represents the tax exempt net income and capital gains which are tax exempt in Germany according to a double tax treaty with the country of source (especially income and gains from real estate) and which are included in the redemption price. The investor may benefit from the tax exemption at the time of the redemption of his investment fund units in cases where the "Immobiliengewinn" is published on a NAV calculation period basis. The publication of the "Immobiliengewinn" is not mandatory in order to qualify as a tax transparent investment fund.

To avoid lump sum taxation for the investors in the case of redemptions of units, during the business year of the investment fund, the investment fund has to calculate and to publish the interim profit ("Zwischengewinn") on a NAV calculation period basis. The interim profit represents mainly the net interest income (together with specific items to be considered according to German tax regulations) which is included in the deemed distributed income on a year-to-date basis. By investing in an investment fund, investors can treat the published interim profit at acquisition date as negative income. If they are redeeming the units, the taxation will take into account the published interim profit as of that date.

In the event that the German Federal Tax Office ("Bundeszentralamt für Steuern") enquires into the German tax data published in the German Federal Gazette, a foreign investment fund will have 3 months in which to prove the correctness of the data.

Overview of tax publications

What?	When?	By whom?	Where?	Consequences of non-compliance
Equity Gains / Equity Gains II	each NAV calculation	Fund administrator	Newspaper / Internet	Related tax advantages not applicable
Interim Profit ("IP")	each NAV calculation	Fund administrator	Newspaper / Internet	Application of lump sum IP
Real Estate Profit	each NAV calculation	Fund administrator	Newspaper / Internet	Related tax advantage not applicable
Distributed Income	Distribution	Tax advisor	"Bundesanzeiger"	Application of lump sum taxation
Deemed Distributed Income ("DDI")	4 months after FYE	Tax advisor	"Bundesanzeiger"	Application of lump sum taxation
Accumulated DDI	each pricing	Fund administrator	Newspaper / Internet	Application of lump sum taxation

Investor perspective

Investments in transparent investment funds

Financial year-end of the investment fund

Investors in transparent investment funds are at least taxed on the DDI at financial year end of the investment fund. The DDI represents the ordinary income (e.g. interest, dividend, REIT and rental income, other income), received by the investment fund less a portion of the expenses paid by the investment fund and calculated/retreated according to German tax law (see below). Investors in accumulating investment funds will at least be taxed on this amount. If this amount is accumulated by a foreign investment fund there will be no withholding tax directly levied. Therefore, German investors have to integrate the taxable basis in their tax declaration in Germany.

The basis for the calculation of the DDI is the local accounting GAAP. In addition to this, German tax law requires special income adjustments e.g. income from target (investment) funds, withholding taxes, non-direct expenses or interest accrual methodologies.

Capital gains generated by the investment fund will generally be taxable at the level of the investors only if distributed. Furthermore, it has to be differentiated between the income buckets defined by the German tax law. No netting between different income buckets is permissible; negative buckets need to be carried forward to the next financial year of the investment fund.

Distributions paid by an investment fund to the investors are generally taxable. As some income and capital gains might be tax exempt it has to be differentiated which income and capital gain components have been distributed to calculate the related withholding tax. For German private investors, distributions are generally subject to a definite flat-rate tax regime (“Abgeltungsteuer”). In this case a tax rate of 25% (plus surcharge tax and potentially church tax) will be applied. For German institutional investors, this withholding tax has to be considered in their tax declaration as tax advance.

Enclosed an overview of some example regarding specific tax treatments:

Component	Specific consequences for	Comments
Ordinary dividend income	Institutional investors	(Partly) Tax exempt
Realised equity gains distributed	Institutional investors	(Partly) Tax exempt
Grandfathered realised gains distributed	Private investors	Tax exempt if acquisition of the security by the fund before 01/01/2009
Capital Repayment	All	Not taxable but decreasing acquisition costs
Already taxed (capitalized) DDI of previous years (distributed)	All	Not taxable

Redemption of investment fund units

Realised capital gains at the level of the investors from redemption of the investment fund units are generally fully taxable. Only in cases where German private investors acquired the investment fund units before 1 January 2009 (and have been invested more than one year) the related capital gains are fully tax exempt. For institutional investors this capital gain could be (partly) tax exempt. The part of the tax exemption is directly linked to the published net Equity Gain ("Aktiengewinn") of the investment fund.

In addition, German private investors are taxed (when redeeming investment fund units) based on the interim profit published by the investment fund as at the respective date. In cases where no interim profit has been calculated and published on a NAV calculation period basis, a lump-sum interim profit will be the basis for the taxation.

For private investors both capital gains on redemptions as well as taxation based on the Interim Profit are subject to the "Abgeltungsteuer" of 25%. Institutional investors will be taxed on respective corporate tax or individual income tax rates.

To ensure a taxation of German investors in foreign investment funds, the investors could also be taxed in the case of sales on the difference of the ADDI between the acquisition and redemption dates which represents the sum of previous DDIs during the holding period which have not yet been subject to withholding taxes. The withholding tax based on the ADDI will be considered as preliminary. By proving the payment of this withholding tax, investors can subsequently credit this tax against their tax liabilities.

Investments in non-transparent investment funds

Distributions received from non-transparent investment funds are fully taxable for German investors. If a non-transparent investment fund is held by an investor as at calendar year end generally 70% of the positive difference amount between the first redemption price of the investment fund units in the calendar year and the last redemption price in the calendar year will be considered as the taxable basis. Nevertheless, the minimum taxable basis should be 6% of the last redemption price in the calendar year. Redemption of shares/units of non-transparent investment target funds during the calendar year will also trigger lump-sum taxation for the investors.

Additional Information for Investors in Austria

The Company has notified the Austrian Financial Market Authority according to Sec 140 para 1 of the Austrian Investment Fund Act 2011 ("Investmentfondsgesetz 2011 – InvFG 2011") of its intention to distribute shares publicly in Austria. The Company is authorized to do so since the completion of the notification procedure.

For investors in Austria, the following sub-funds are available:

AQR GLOBAL RELATIVE VALUE UCITS FUND
CCI HEALTHCARE LONG-SHORT UCITS FUND
FENICIAN EQUITY LONG SHORT UCITS FUND
GOTHAM U.S. EQUITY LONG/SHORT UCITS FUND
KLS FIXED INCOME UCITS FUND
MARSHALL WACE TOPS UCITS FUND (MARKET NEUTRAL)
MERRILL LYNCH ENHANCED CROSSASSET VOLATILITY PREMIUM FUND
MERRILL LYNCH ENHANCED EQUITY VOLATILITY PREMIUM FUND
MERRILL LYNCH MLCX COMMODITY ALPHA FUND
MERRILL LYNCH MLCX COMMODITY ENHANCED BETA EX AGRICULTURE FUND
MERRILL LYNCH MLCX COMMODITY ENHANCED BETA FUND
MERRILL LYNCH WNT DIVERSIFIED FUTURES UCITS FUND
MILLBURN DIVERSIFIED UCITS FUND
OCH-ZIFF EUROPEAN MULTI-STRATEGY UCITS FUND
PASSPORT CAPITAL GLOBAL EQUITY LONG SHORT UCITS FUND
RAMIUS MERGER ARBITRAGE UCITS FUND
WILLOWBRIDGE-PRAXIS GLOBAL MACRO UCITS FUND
YORK ASIAN EVENT-DRIVEN UCITS FUND
YORK EVENT-DRIVEN UCITS FUND
ZEAL GREATER CHINA LONG SHORT UCITS FUND

Paying and Information Agent

Raiffeisen Bank International AG, located at Am Stadtpark, 9, A-1030 Vienna, Austria, has been appointed by the Company as the Austrian Paying and Information Agent.

Applications for the redemption and conversion of shares may be sent to the Austrian Paying and Information Agent and are being forwarded to the company.

All payments to investors, including redemption proceeds, potential distributions and other payments, may, upon request, be paid through the Austrian Paying and Information Agent.

The prospectus, the key investor information documents (KIIDs), the Company's Articles of Association, the annual and semi-annual reports and the notices to shareholders may be obtained, free of charge and in hardcopy, at the registered office of the Company and at the office of the Austrian Paying and Information Agent during normal business hours.

Tax Representative

PwC PricewaterhouseCoopers Wirtschaftsprüfung und Steuerberatung GmbH, Erdbergstrasse 200, 1030 Vienna, has been appointed by the Company as the tax representative in Austria within the meaning of Sec 186 para 2 no 2 in connection with Sec 188 InvFG 2011.

Publication of prices

Issue, sale, redemption or repurchase prices and conversion prices of shares are available free of charge and in hardcopy from the Austrian Paying and Information Agent and from the registered office of the Company.

The Net Asset Value per Share (NAV) is also published on a daily basis on the Company´s web site: www.invest.baml.com/funds

Taxation in Austria

The following information is supposed to give a general overview of the principles of Austrian taxation on income derived from investment funds for investors subject to unlimited tax liability in Austria based on the legal status applicable since 1 April 2012.

Particularities of individual cases are not considered. As no concrete advice on the taxation of individual investors is hereby given, it is recommended that investors seek advice from a tax advisor regarding the taxation of their respective holdings.

Investment funds are transparent according to Austrian tax law. This means that income from a fund is not taxed at fund level but at investor level (tax transparency).

The fund's income is generally taxable, when it is distributed to the investors. Income, which is not distributed, is taxable as deemed distributed income ("DDI") once a year.

The Investment Fund Act 2011 generally provides for two tax categories for foreign investment funds:

- Investment funds, which have a tax representative, who reports the tax buckets on distributions and DDI to OeKB (reporting funds) and
- Investment funds, which do not have a tax representative and which are therefore subject to the lump-sum taxation (black funds). The lump-sum taxation is based on the higher of the following two amounts: 90% of the difference between the first and the last redemption price of the calendar year or 10% of the last redemption price of the calendar year.

1. Private investors

1.1. Taxation of the fund's income

The taxable fund's income consists of

- the net investment income (i.e. interest income, dividend income, other ordinary income minus the fund's expenses) and
- 60% or 100% of the realised capital gains from the sale of securities and of the income from derivative instruments.

Realised capital losses (after netting with realised capital gains) can be credited against the ordinary income (dividends, interest and other income minus expenses). If capital losses exceed the net investment income, the exceeding amount can be carried forward at share class level. Also a negative net investment income can be offset against realised capital gains and carried forward if the negative net investment income exceeds the realised capital gains. In the following financial years, these carry forwards have to be offset in a first step against realised capital gains and in a second step against the net investment income.

1.2. Taxation of the DDI

In case of foreign investment funds, the annual Austrian DDI figures have to be reported within seven months after the fund's financial year end by the Austrian tax representative. The applicable tax rate for private investors on the fund's income is generally 27,5% KESt. In case the fund shares are held on Austrian deposit, the 27,5% KESt on the DDI is withheld by the Austrian depository bank when the tax figures are reported to OeKB. In case the fund shares are held on foreign deposit the DDI (which is deemed to be distributed at the time when the tax representative reports the tax figures to OeKB, at the latest seven month after the fiscal year end of the fund) has to be included in the private investor's personal income tax return and is subject to special 27,5% tax rate.

1.3. Taxation of distributions

Distributed income is subject to 27,5% tax. In case the fund shares are held on Austrian deposit, the 27,5% tax on the distribution (KESt) is withheld by the Austrian depository bank. In case the fund shares are held on foreign deposit the distributed income has to be included in the private investor's personal income tax return and is subject to special 27,5% tax rate.

1.4. Sale of fund shares

In case private investors sell their fund shares, the difference between the sales price and the purchase price is subject to 27,5% KESt irrespective of the holding period. In order to avoid a double taxation of the DDI (i.e. annual taxation and taxation as part of the gain derived from the sale of the fund shares) the fund share's purchase price is increased annually by the taxed DDI. It has to be considered that the sales (preliminary) charge must generally not be considered as incidental acquisition cost.

If the fund shares are held on Austrian deposit, the 27,5% tax on the capital gain shall be withheld by the Austrian depositary bank. In case the fund shares are held on foreign deposit, the capital gain has to be included in the private investor's personal income tax return.

The capital gains taxation at 27,5% KESt from 1 April 2012 onwards applies to the sale of fund shares only bought after 31 December 2010. Capital gains from the sale of fund shares bought before 1 January 2011 are generally tax free.

2. Individuals holding the fund shares as business property

If fund shares are held by individuals as business property (sole proprietors or partnerships), the tax rules as described above for private investors are generally applicable with the following exemptions:

- Individuals holding the fund shares as business property have to include the realised capital gains into the income tax return. The capital gains are subject to 27,5% tax. Any tax withheld on capital gains by the Austrian depositary bank will be credited on the individual's income tax.
- 100% of the accumulated realised capital gains are taxable.
- The sales (preliminary) charge can be considered as incidental acquisition cost and have to be included in the individual's income tax.

3. Corporate Investors

The net investment income as well as all realised capital gains are subject to 25% Corporate Income Tax and must be included in the corporate income tax return of the corporation. If the corporate investor sells fund shares, the difference between the purchase price and the sales price less already taxed DDI is subject to 25% Corporate Income Tax (irrespective of the holding period) and must be included in the corporate income tax return. The DDI is deemed to be received by corporate investors at the financial year-end of the fund.

Corporate investors can avoid the withholding tax deduction by way of providing the Austrian bank with a certificate of exemption. If no certificate of exemption is provided, the deducted withholding tax can be credited against the Corporate Income Tax.

4. Disclaimer

Please note that the information on the tax consequences according to the above is based on the tax rules as of July 2017. The correctness of this tax information can be affected by subsequent changes in the law or changes in the application of the law.

FIRST SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MARSHALL WACE TOPS UCITS FUND (MARKET NEUTRAL)

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MARSHALL WACE TOPS UCITS FUND (MARKET NEUTRAL) (the "**Sub-Fund**").

1. Investment Objective, Process and Strategies

1.1 Investment Objective

The investment objective of the Sub-Fund is to provide investors with consistent absolute returns primarily through investing in global equities. The Sub-Fund will seek to preserve capital through the use of various risk management techniques, given its long term investment strategy.

The Sub-Fund will be managed by Marshall Wace LLP (the "**Investment Manager**").

1.2 Investment Process

The assets of the Sub-Fund will be used to invest systematically on the basis of those investment ideas of the brokerage community selected by TOPS (Trade Optimised Portfolio System), described more fully below, and to effect additional investment opportunities chosen by the Investment Manager.

The TOPS investment process comprises a framework of proprietary applications and models which seeks to capture, appraise, optimise and act upon the investment ideas of contributors from the brokerage community and to aggregate them in a dynamic portfolio construction process. This involves five key elements, which are described below: investment idea collection, contributor relationship management, optimisation, risk management, and trade execution.

Idea Collection

The Investment Manager developed the TOPS process to capture what it considered to be the substantial and valuable investment information generated by investment banks and regional brokers, through their sales and research departments, and specialist research boutiques. The Investment Manager selects individual salespeople with appropriate expertise from certain firms to contribute their ideas based on the information resource of their firms to TOPS.

Contributor Relationship Management

Contributor relationships are actively managed by the Investment Manager to ensure that each contributor regularly appraises the ideas they have supplied.

Optimisation

The optimisation process seeks systematically to identify those ideas that can be combined in a diversified portfolio and which target the stated risk-return profile. It further ensures diversification both at the position level and also by theme and style.

Trade Execution

The Investment Manager manages the execution of each order relative to the trading volume in the relevant security in order to minimise the price impact on the security and the cost to the portfolio, and to ensure that commission costs are controlled.

Investment Strategies

The approach that the Sub-Fund will use to implement its investment policy will be to invest on the basis of investment ideas driven by (a) general factors such as stock and market momentum and prevailing market themes and events affecting an individual stock in particular (e.g. a merger or takeover, an earnings release, changes to the management of the issuer, or any other commercially significant event); and (b) valuation and fundamental criteria such as earnings growth and outlook for a specific stock. The resulting portfolio is expected to be relatively liquid and diversified

1.3 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by the Investment Manager.

2. General

The Sub-Fund's assets will be predominantly invested in global equities, either directly or through financial derivative instruments including (list not exhaustive) OTC swap transactions on an arm's length basis with first class financial institutions acting as swap counterparty and options, forward contracts and futures.

Such global equities will be listed or traded on (i) a Regulated market or (ii) stock exchange in the European Union, the Organisation for Economic Co-operation and Development, Hong Kong, Singapore and South Africa, (iii) NASDAQ, (iv) NASDAQ Europe, (v) the market in US government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York, (vi) the market in transferable securities conducted by primary dealers and secondary dealers which are regulated by the US Securities and Exchange Commission and by the NASD and (vii) the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan and (viii) any other eligible regulated exchange or market in accordance with the investment restrictions as laid down in the general part of the Prospectus.

In addition, the Sub-Fund's assets may be invested on an ancillary basis in debt securities (including those that are credit linked) listed on a stock exchange or dealt on a Regulated Market issued by financial or credit institutions or corporate issuers or sovereign states (including those from emerging markets) and/or supranational organisations.

The Sub-Fund will not invest more than 10 per cent of its Net Asset Value in units of other UCITS or other collective investment undertakings.

The Investment Manager will pursue a discretionary hedging policy to preserve investors' capital in line with its long term investment strategy.

Although the investment objective of the Sub-Fund is to provide investors with consistent absolute returns by implementing a market neutral investment strategy, the net market exposure of the Sub-Fund may temporarily vary according to the Investment Manager's view of market prospects and the Sub-Fund may be net short of markets or net long of markets. However, the overall net market exposure of the Sub-Fund will not exceed a range from 15 per cent net short to 15 per cent net long. The range stated above will allow the Investment Manager to apply appropriate risk management measures when necessary. Where the Investment Manager wishes to take short positions in equities, it will do so exclusively through the use of equity derivatives. For long exposures to equities, the Investment Manager will utilize equity derivatives where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities. The Sub-Fund will take long and short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions.

The pricing of OTC Derivatives contracts will be performed independently of the trading desks of the OTC swap counterparties, which are the counterparties to the Sub-Fund in respect of OTC Derivative contracts.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments. Based on the investment strategy and the risk profile of the Sub-Fund the absolute VaR limit is 5%.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Funds' assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 100% to 350% of the Sub-Fund's NAV. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 100% to 300% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 240% of its Net Asset Value and will not exceed 300% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

3. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to a basket of transferable securities and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. In addition to the specific warnings listed below, investors should also refer to the "Risk Factors" in section 8 of the Prospectus of the Company, in particular sections 8.1.9 "Leverage", 8.4.17 "Risks associated with investing in the People's Republic of China (PRC)", 8.4.18 "Trading in securities through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect", 8.5.1 "Debt Securities" and 8.5.2 "Forward Foreign Exchange Contracts".

Aggregation of Settlement

With a view to securing efficiencies in settlement costs, the Investment Manager, on behalf of the Sub-Fund, may enter into arrangements with other investment funds managed by the Investment Manager, Marshall Wace Asia Limited (SFC and SEC registered) or Marshall Wace North America, L.P. (SEC registered) (together with the Sub-Fund, the "Marshall Wace Funds") to aggregate the settlement of transactions effected through the same broker. Pursuant to the arrangements, the settlement by the broker of transactions entered into by any of the Marshall Wace Funds through the same broker on the same day would be aggregated and the relevant transactions settled using a volume-weighted average price. The transactions would be allocated to the relevant Marshall Wace Funds at the actual execution price achieved for each relevant Marshall Wace Fund and the relevant Marshall Wace Funds would arrange the necessary balancing payments between them to put themselves in the position as if such aggregated settlement had not taken place. Investors should note that in such circumstances the Sub-Fund may be exposed to an insolvency risk with respect to the recovery of balancing payments from the other relevant Marshall Wace Funds.

Availability of Investment Strategies

The success of the investment activities of the Sub-Fund will depend on the Investment Manager's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Sub-Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Sub-Fund's assets or to exploit discrepancies in the securities and derivatives markets. A reduction in money market liquidity or 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, exchange rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

Currency Options Trading

In line with its Investment Strategy, the Sub-Fund may acquire and sell currency options, the value of which depend largely upon the likelihood of favourable price movements in the underlying currency in relation to the exercise (or strike) price during the life of the option. Many of the risks applicable to trading the underlying currencies are also applicable to over-the-counter options trading. In addition, there are a number of other risks associated with the trading of options including the risk that the purchaser of an option may at worst lose his entire investment (the premium he pays).

Derivatives

The Sub-Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy, to hedge against risks arising from long positions. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. The Sub-Fund may also sell covered options on securities and other assets.

Developing Markets

The Sub-Fund may invest in developing market debt securities, foreign exchange instruments and equities which may lead to additional risks being encountered when compared with investments in developed markets.

Foreign Exchange Risk on Non-Base Currency Share Classes

Shares may be denominated in a currency other than the base currency of the Sub-Fund. Investors in such share classes may be exposed to the fluctuations of the foreign exchange rates between the currency of the Shares and the base currency of the Sub-Fund. Such foreign exchange fluctuation may adversely affect investment returns.

Market Liquidity and Leverage

The Sub-Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair the ability of the Sub-Fund to adjust its positions. The size of the positions of the Sub-Fund may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by the counterparties with which the Sub-Fund enters into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Sub-Fund's portfolio.

Trading Costs

The investment approach of the Sub-Fund may generate substantial transaction costs which will be borne by the Sub-Fund.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

4. Base Currency

The Base Currency of the Sub-Fund is the USD.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "shares and other financial assets' UCIs" type.

6. Dealing Day

The Dealing Day of the Sub-Fund will be every Banking Day. Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day.

With reference to the provisions of sections 10.1 and 10.2 of the Prospectus in respect of a Sub-Fund's capacity in the investment strategy and ability for suitable investments, the aggregate net subscription amount from any investor (including nominee investors) on each Dealing Day may be limited to a maximum amount of 50,000 EUR or 50,000 GBP or 50,000 USD (or equivalent in Shares, based on last available NAV) subject to the discretion of the Board of Directors (with the agreement of the Investment Manager) to alter or waive this limit.

7. Launch Date

The Sub-Fund was launched on 23rd November, 2007.

8. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an Investment Management Fee of up to 2.25% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee.

(ii) the Management Company will receive a **Distribution Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee**. The Performance Fee will be calculated as follows:

The Performance Fee will be calculated in respect of each period of twelve months beginning on October 1 and ending on the following 30 September (a Calculation Period). The Performance Fee will be calculated and accrued daily as an expense of the relevant Share Class and will be payable to the Investment Manager in arrears within 7 Banking days of the end of each Calculation Period.

For each Calculation Period, the Performance Fee will be equal to a percentage figure (as specified in the table Summary of Shares below) of any "New Net Appreciation".

The **New Net Appreciation** shall equal:

(1) with respect to all the B, C, G, Z and Management Share Classes, the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the "High Water Mark" (defined below); or

(2) with respect to all the A Share Classes, the amount by which the Net Asset Value of the relevant Share Class (prior to reduction for accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the sum of the "Aggregate Benchmark Amount" for such Calculation Period and the High Water Mark; provided that no Performance Fee will be payable with respect to any of the A Share Classes unless the Net Asset Value of the relevant Share Class as of the end of the relevant Calculation Period (prior to reduction for accrued Performance Fee) exceeds its "High Water Mark",

The **High Water Mark** attributable to each Class is either

(a) at the Net Asset Value of the relevant Share Class as of the most recent 30 September at which a Performance Fee was paid by such relevant Share Class (after reduction for the Performance Fee then paid and for the dividends paid out to the shareholders of such relevant Share Class in relation to the Calculation Period then ending). The Net Asset Value referred to in the previous sentence shall be increased when additional Subscriptions are made to the relevant Share Class, by an amount equal to such Subscriptions and shall be reduced proportionately whenever a Redemption is made from the relevant Share Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of the relevant Share Class immediately after, and the denominator of which is the Net Asset Value of the relevant Share Class immediately prior to, such redemption (Net Asset Value of the relevant Share Class in each case to be calculated prior to reduction for any accrued Performance Fee.)

or

(b) if no Performance Fee has ever been paid, then the aggregate Subscriptions minus the aggregate Redemptions to the relevant Share Class through the date of determination.

The **Benchmark** means the performance benchmark for the Sub-Fund as set out in the table Summary of Shares.

The "**Aggregate Benchmark Amount**" for each Calculation Period equals the sum of the Benchmark Amounts calculated throughout the relevant Calculation Period. The Benchmark Amount equals the Benchmark multiplied by the High Water Mark of the relevant Share Class.

If a Redemption is made from the relevant Share Class as of a date other than 30 September, a Performance Fee (if accrued as of the date of such Redemption) shall be crystallized in respect of the Shares being redeemed and paid to the Investment Manager 7 Banking Days after the Dealing Day (or upon termination of the Investment Management Agreement, if earlier). Crystallized Performance Fees shall remain in the relevant Share Class (but shall not participate in subsequent gains and losses of the relevant Share Class) until paid to the Investment Manager, and shall not be used or made available to satisfy Redemptions or pay any fees and expenses of the relevant Share Class.

The Investment Manager may from time to time and in its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents), taking into account the principle of equal treatment of investors, or to intermediaries, part or all of the Investment Management Fee and/or Performance Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

If the appointment of the Investment Manager is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

(v) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

9. Investment Manager

Marshall Wace LLP has been appointed as Investment Manager of the Sub-Fund pursuant to an investment management agreement dated 14 November 2007. Marshall Wace LLP was founded by Paul Marshall and Ian Wace and was incorporated as a limited liability partnership on 16 May 2002 under the laws of England and Wales and is regulated by the FSA.

Role of Marshall Wace North America L.P.

The Investment Manager has appointed Marshall Wace North America L.P. (**MWNA**) to act as an investment adviser in respect of the Sub-Fund. MWNA is a limited partnership established under the laws of the state of Delaware on 21 June 2004. MWNA acts through its general partner, Marshall Wace LLC, which was incorporated under the laws of the State of Delaware on 21 June 2004. MWNA is registered as an investment adviser under the US Investment Advisers Act of 1940, as amended. In its capacity as investment adviser, MWNA may provide investment recommendations to the Investment Manager who will have full discretion to decide whether to follow such investment recommendations or not.

Role of Marshall Wace Asia Limited

The Investment Manager has also appointed Marshall Wace Asia Limited (**MWAL**) to act as an investment adviser in relation to the Sub-Fund. MWAL is a limited liability company established under the laws of Hong Kong on 28 March 2006 and is authorised and regulated by the Securities and Futures

Commission of Hong Kong. MWAL is also registered as an investment adviser under the US Investment Advisers Act of 1940, as amended. In its capacity as investment adviser, MWAL may provide investment recommendations to the Investment Manager who will have full discretion to decide whether to follow such investment recommendations or not.

General

The Investment Manager (and/or its members, employees, related entities and connected persons) may subscribe for Shares from time to time.

The Investment Manager will receive a monthly Investment Management Fee and an annual Performance Fee as disclosed in the table Summary of Shares below.

10. Shares

The Sub-Fund will issue Shares as set out in the table below.

11. Listing on the Luxembourg Stock Exchange

All or some G Share Classes (as further described in the table below) are listed on the Luxembourg Stock Exchange (the "Listed Shares").

The eligibility requirements applicable to the Listed Shares as described in the table below as well as in the general part of the Prospectus and Articles of Association are collectively referred to as the "Eligibility Requirements".

Although the Listed Shares are required to be negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Company), the Eligibility Requirements will nevertheless apply to any party to which Listed Shares are transferred on the Luxembourg Stock Exchange.

The holding at any time of any Listed Shares by a Shareholder who does not satisfy the Eligibility Requirements may result in the compulsory redemption of such Listed Shares by the Company.

Information on the Sub-Fund's portfolio composition may be obtained from the Investment Manager and/or the Global Distributor.

Summary of Shares[1]

Class	A	B	C	G	Z	Management
Type	Institutional.	Institutional	Retail	Retail	Retail	Retail
Availability	Share class closed to new subscriptions and conversions	Available to all Institutional Investors	Available to all investors	Share class closed to new investors. The Directors in conjunction with the Investment Manager may re-open this Class to further investors	Available to appointed distributors only	Available only to the employee of the Investment Manager or an immediate family member of such management employee who shall remain at all time the ultimate beneficial owners of the Shares in the Sub-Fund
Combined Investment Management and Distribution Fee	1.75% p.a.	1.50% p.a.	2.25% p.a.	1.50% p.a.	1.50% p.a.	0.60% p.a.
Performance Fee	25% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	10% of New Net Appreciation
Benchmark	European Overnight Index Average (EONIA) (Total Return Gross)	None	None	None	None	None
Sales charge	0%	0%	Up to 5%	Up to 5%	Up to 5%	0%
Redemption charge	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.30% p.a.	0.30% p.a.	0.40% p.a.	0.30% p.a.	0.40% p.a.	0.30% p.a.

[1] This Summary of Shares' table shall be read in conjunction with the provisions of Section 7 of the Supplement entitled "Dealing Day" regarding the maximum subscription amount that could apply with respect to all Share Classes.

SECOND SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – YORK EVENT–DRIVEN UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – YORK EVENT-DRIVEN UCITS FUND (the "**Sub-Fund**").

1. Investment Objective and Process

1.1 Investment Objective

The Sub-Fund's investment objective is to achieve consistent risk-adjusted investment results over time relatively independent of the returns generated by the overall equity markets. The Sub-Fund attempts to realize its objective by investing principally in securities subject to or potentially subject to meaningful corporate activity where York UCITS Holdings, LLC ("**York**" or the "**Investment Manager**") believes the market price does not adequately reflect the effect that such activity will have on the securities' valuation. The Sub-Fund focuses primarily on four areas of investment opportunities: event equities, value equities, risk arbitrage and credit.

1.2 Investment Process

York generally bases its investment decisions on internally generated research and, from time to time, on research obtained from outside sources. It attempts to take a mathematical and analytical approach to investing by evaluating the downside/upside potential as well as, in the case of securities subject to extraordinary corporate activity, the probability of completion of each transaction in order to calculate the expected return. York then measures that return against its estimation of the return required to compensate for the amount of risk in the investment. York attempts to minimize its loss exposure in each specific situation by having position size determined by downside potential.

The main areas in which the Sub-Fund will invest are:

1.2.1 Event equities

General

When York believes that there is a strong likelihood that a company may soon make an announcement of a strategic nature that could have a material effect on the price of the company's securities, York may purchase securities of the company. This investment strategy utilizes a bottom-up analysis that relies on understanding the financial documents of an issuer and seeks to identify corporate catalysts which are deemed to offer superior investment potential over the relative near term.

Spin-Offs

When a company proposes to spin-off a part of its business or operations, the value of its securities on or after the date of the spin-off may be higher than the market price at which the securities are trading upon announcement of the proposed spin-off. York evaluates the proposed spin-off and if York determines that the likelihood of consummation of the spin-off is high, the Sub-Fund may purchase the securities of the company which is the subject of the spin-off.

Industry Consolidations

As a result of structural, regulatory or other dramatic change, many industries undergo periods of rapid consolidation. York evaluates industry consolidation trends and may purchase or sell securities in companies that may be part of such consolidation, especially if the underlying economic fundamentals of such companies or industries are particularly attractive. York also targets securities in companies that may be acquired through a competitive auction process.

Liquidations

In a liquidation, all or substantially all of the assets of a company are sold, with the proceeds of such sales distributed to the shareholders of such company. There may be several liquidating distributions in connection with a particular liquidation. York evaluates the assets of the company proposed to be liquidated and determines the likelihood that all necessary approvals for the transaction, including the approval of shareholders, will be obtained. If York believes that the value of the assets of the company proposed to be liquidated exceeds the market price of its securities, and that the likelihood of consummation of the proposed liquidation is high, the Sub-Fund may purchase the securities of the company proposed to be liquidated. If the liquidation is completed, the Sub-Fund would expect to realize a profit from the differential between the cost of the securities purchased and the amount of the liquidated distributions.

Post-Bankruptcy Equities

After a company emerges from the bankruptcy process, existing common shares are often cancelled and distressed debt is frequently converted into a new issuance of common equity, generally referred to as post-bankruptcy equities or orphan equities. The bankruptcy process involves various classes of claimants that debate the value of the bankrupt company and present an estimate of the firm's value that is often designed to advance their individualized claims on the bankruptcy estate. This dynamic often fosters an ultimate misunderstanding around the valuation of post-bankruptcy equities, and in many cases, these equities are substantially undervalued. These securities may also be volatile as former debt investors seek liquidity in their newly formed equity stakes, creating superior investment opportunities. The Sub-Fund may establish new positions in post-bankruptcy equities or continue to hold such securities received by the Sub-Fund due to an investment position in the distressed debt of a bankrupt company.

Pair-Trading

Pair-trading consists of buying one security and simultaneously selling short another security within the same industry group. Any short selling will be conducted exclusively by means of financial derivative instruments. The Sub-Fund engages in pair-trading when York deems the security to be significantly undervalued or overvalued relative to its peers or one of its peers. Pair-trading is also utilized if York deems a particular security to be meaningfully mispriced or anticipates an extraordinary event taking place in the near future and desires to hedge the systematic market risk inherent in such security.

1.2.2 *Value equities*

General

York's value equities strategy targets a fundamental value approach to analyzing investment opportunities. York attempts to identify long positions trading at a substantial discount to their intrinsic value. York believes that in doing so, the Sub-Fund's investments have "asymmetric" return characteristics, with substantial appreciation potential and less downside risk on average. York constantly re-evaluates the Sub-Fund's portfolio in light of industry and capital market trends and events. In evaluating "intrinsic value", York looks to public and private market transactions, free cash flow multiples and other measures of tangible value.

Longer Term Situations

From time to time, York may believe that it has identified a dramatically undervalued situation with the potential for substantial long term gains. If York believes that events in the medium to long term may cause investors to recognize the value of the company, thereby causing the true value of the company's assets to be recognized in the stock price, York may purchase securities of the company. York believes that market outperformance can be achieved by fundamental analysis combined with an understanding of how corporate events impact a company's valuation. Examples of longer term, value-oriented opportunities that the Sub-Fund may seek include, but are not limited to, the following:

- Companies with pending or anticipated corporate events that are likely to trigger the market's revaluation of a company;
- Companies with unique or highly value-added products or services, with or without continuing management;
- Out-of-favour companies with visible potential operating cash flows and/or liquidation or break-up values;
- Companies positioned to benefit from industry consolidation;
- Businesses that are understandable, but may have complex legal, operational and financial issues;
- Companies with competitive positions in well-defined market segments or niches;
- Fundamentally sound operating companies with sustainable margins that may have poorly conceived capital structures;
- Companies with experienced, effective management teams with demonstrated track records of success; and/or
- Companies with strong financial and managerial controls and efficient, cost-effective production techniques.

1.2.3 Risk arbitrage

General

Risk arbitrage involves the purchase of securities which are the subject of a takeover attempt prior to the time the market price of the securities fully reflects the value offered to the shareholders, in the expectation that the securities will rise to at least the value offered to the shareholders. The Sub-Fund uses different arbitrage techniques with respect to the various kinds of transactions to be arbitraged. Substantial risks are involved in such transactions and the results of the Sub-Fund's operations may be expected to fluctuate from period to period.

Cash Tender Offers and Cash Mergers

At the time a cash tender offer or a cash merger proposal is announced, the offering price for the securities of the target company is typically higher than the market price of such securities. York evaluates the proposed cash tender offer or cash merger proposal and if York believes that the likelihood of consummation of the transaction is high, or that another bidder may offer a higher price, the Sub-Fund may purchase the securities of the target company. If the transaction is completed, the Sub-Fund would expect to realize a profit from the differential between the cost of the securities purchased and the amount received from the acquiring company.

Exchange Offers and Certain Mergers

At the time an exchange offer or a proposal for a merger is announced, the market price of the securities of the acquiring company which would be issued in the transaction is typically greater than the market price of the securities of the target company for which they are to be exchanged, although this differential or spread will generally narrow or disappear as the closing date of the exchange offer or merger approaches. York evaluates the proposed exchange offer or merger and if York determines that the likelihood of consummation of the transaction is high, or that another bidder may offer a higher value, the Sub-Fund may purchase the securities of the target company. In order to hedge against the risk of market fluctuation in the securities to be received, the Sub-Fund may obtain short exposure to the acquiring company by use of derivatives. If the transaction is consummated, the Sub-Fund may then exchange the securities of the target company for the securities issued by the acquiring company and may cover its short derivative exposure, if any, with the securities so received.

1.2.4 Credit

General

York's credit strategy targets debt-oriented investment opportunities that are generated during the various phases of the credit cycles. This strategy focuses principally on the securities of companies undergoing reorganization pursuant to Chapter 11 of the United States Bankruptcy Code and companies whose debt securities trade at levels that York does not believe reflect their intrinsic value. The Sub-Fund may also invest in mezzanine securities which consist of (i) debt securities of an issuer (including convertible debt securities) that (A) are subordinated to other debt of such issuer and (B) may be issued with equity participation features such as convertibility, senior equity securities, common stock or warrants or (ii) preferred stock that is issued in connection with leveraged transactions, such as management buyouts, acquisitions, refinancings, recapitalizations and later stage growth capital financings.

Distressed Securities

Distressed securities are securities of companies that are experiencing financial or operating difficulties and that are in the process of emerging from such problems through debt restructuring, Chapter 11 reorganization or liquidation. The issuers of distressed securities may be involved in various stages of bankruptcy. The difficulties of the issuers may have resulted from poor operating results, catastrophic events or excessive leverage. Distressed securities may consist of common or preferred stocks, bonds or other fixed-income securities. The distressed securities in which the Sub-Fund invests consist primarily of OTC debt securities and, where the situations warrant, preferred and common stocks. These types of securities require active monitoring and may, at times, require participation in bankruptcy or reorganization proceedings by York on behalf of the Sub-Fund.

Bankruptcies and Chapter 11 Reorganizations

In a bankruptcy, the market prices of the securities of the bankrupt company are often lower than the ultimate realizable value upon emergence from Chapter 11 proceedings. York evaluates the underlying value of the company's businesses, its current and potential pro forma capitalization structure and any other material assets or liabilities and attempts to determine which of the company's debt or equity securities offer the greatest upside potential, if any, upon the completion of the bankruptcy reorganization. Additionally, determination of the time required for such bankruptcy proceedings to be completed is crucial and is evaluated by York to determine if the potential annualized returns are sufficient enough to warrant investment. The profit realized, if any, will be the differential between the cost of the securities purchased and the value of the consideration received upon emergence from bankruptcy.

Exchange Offers and Out of Court Restructurings

A company with too much debt to service often attempts to structure an out of bankruptcy restructuring or a prepackaged Chapter 11 plan of reorganization. In such a restructuring, the company attempts to deleverage its balance sheet to attain a more viable capital structure by inducing creditors to accept new debt and/or equity securities. York determines the value of any new debt and/or equity package proposed to existing security-holders, potential increased consideration if any, and the likelihood of success as well as the timing to completion. Should York believe that the likelihood of consummation of the transaction is high, and the current or potential value of the securities offered in the exchange offer exceeds the current market price of the securities subject to the exchange, it may purchase such securities. The profit realized, if any, will be the price differential between the securities purchased and the consideration received.

Cash Tender Offers

The buyer of an over-leveraged company may elect to tender for outstanding debt securities of the target company prior to and as a condition of the acquisition. Such tender offers are subject to numerous conditions and minimum acceptance levels, many of which can be waived or changed at the buyer’s discretion. At the time a cash tender offer is announced, the offering price for the debt securities of the target company is typically higher than the market price of such securities. York evaluates the proposed cash tender offer and if York believes that the likelihood of the transaction is high or that the bidder may offer a higher price, the Sub-Fund may purchase such securities. If the transaction is completed, the Sub-Fund would realize a profit from the differential between the cost of the securities purchased and the amount received from the acquiring company.

Other Credit Securities

The Sub-Fund may purchase other types of credit-oriented securities that offer beneficial relative value in the credit markets, as well as high yield securities that are trading at prices below their potential value or that offer an attractive yield. York also looks for those companies which are potentially subject to a reorganization or acquisition attempt, upon the occurrence of which the debt securities are expected to rise in value. York may purchase such securities in anticipation of such extraordinary events. The profit realized, if any, will be the difference between the price paid for the securities and the consideration received in any subsequent sale, exchange offer or tender offer.

1.3 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. General

The Sub-Fund may purchase and sell securities and instruments of all types - mainly on global Regulated Markets. Instrument types include common and preferred stock, Depositary receipts, warrants, rights, debt securities, convertible debt securities, convertible preferred stock, swaps, limited partnership interests, limited liability company membership interests, equity related convertible securities, interest-bearing or interest rate sensitive marketable securities.

The Sub-Fund expects that a significant majority of its investment portfolio will be comprised of equity securities, and that debt securities will only constitute a minority of the Sub-Fund's portfolio.

The Sub-Fund will invest in the securities either directly or via financial derivative instruments including options, futures contracts, forward contracts and swaps. OTC contracts will be traded with counterparties approved by the Board of Directors.

The Investment Manager will pursue discretionary hedging to preserve investors' capital in line with its long term investment strategy.

The net market exposure of the Sub-Fund may vary according to the Investment Manager's view of market prospects and the Sub-Fund may be net short of markets or net long of markets. Where the Investment Manager wishes to take short positions, it will do so exclusively through the use of financial derivative instruments. The Sub-Fund will take long and short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions.

The pricing of OTC Derivatives contracts will be performed independently of the trading desks of the OTC swap counterparties, which are the counterparties to the Sub-Fund in respect of OTC Derivative contracts.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Funds' assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 25% to 125% of the Sub-Fund's NAV. Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 100% to 250% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 50% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

3. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to its portfolio of transferable securities and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. In addition to the specific warnings listed below, investors should also refer to the "Risk Factors" in section 8 of the Prospectus of the Company, more specifically sections 8.4.17 "Risks associated with investing in the People's Republic of China (PRC)" and 8.4.18 "Trading in securities through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect".

The Sub-Fund will be managed in a way consistent with the terms and conditions of the Prospectus and Articles of Association, including in particular the provisions governing the terms of share redemptions. Because of the investment strategy pursued by the Investment Manager, there may be situations where the liquidity of some investments of the Sub-Fund may be impaired

after their acquisition and/or where the financial standing of the issuers of some of the securities held by the Sub-Fund may deteriorate. In order to anticipate and mitigate possible adverse consequences of such situations on the overall liquidity of the Sub-Fund, the Investment Manager will carry out an ongoing monitoring of the liquidity of all the investments of the Sub-Fund and will undertake all reasonable actions in the best interest of all of the Shareholders in order to maintain an overall liquidity of the Sub-Fund in line with the redemption terms set out in the Prospectus. The risk warnings below dealing more specifically with the liquidity of the Sub-Fund's investments must be read in the light of the above.

Risk Arbitrage Transactions

The Sub-Fund may purchase securities at prices slightly below the anticipated value of the cash, securities or other consideration to be paid or exchanged for such securities, in a proposed merger, exchange offer, tender offer, spin-off or other similar transaction. Such purchase price may be substantially in excess of the market price of the securities prior to the announcement of the merger, exchange offer, tender offer, spin-off or other similar transaction. The consummation of such transactions can be prevented or delayed by a variety of factors. If the proposed transaction later appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities purchased by the Sub-Fund may decline sharply and result in losses to the Sub-Fund. In certain transactions, the Sub-Fund may not be "hedged" against market fluctuations. This can result in losses, even if the proposed transaction is consummated.

In addition, short exposure to a security involved in a merger or exchange offer may be gained by use of derivatives by the Sub-Fund in the expectation that the short derivative exposure will be covered by delivery of such security upon such merger or exchange.

If the merger or exchange offer is not consummated, the Sub-Fund may be forced to cover its short exposure at a higher price than its short sale price, resulting in a loss.

Financial and Market Risks of Bankrupt and Special Situation Companies

The Sub-Fund may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses.

Possible Trade or Business Within the United States

Assets of the Sub-Fund will be invested in the U.S. markets. The Sub-Fund intends to limit its activities within the United States and otherwise conduct its affairs and structure its investments so that, to the extent feasible and consistent with its overall investment objectives, it will not be treated as engaged in a trade or business within the United States. If the Sub-Fund were nevertheless considered to be engaged in a trade or business within the United States, income and gain of the Sub-Fund that was treated as "effectively connected" with that U.S. trade or business would be subject to U.S. federal income tax at graduated rates and, in addition, subject to an additional "branch profits" tax. The Sub-Fund's payment of those taxes, if required, could result in a reduction of the amount of assets available for distribution to investors.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

Investment Approach

York has broad investment powers and flexibility, including, among other things, the power to take short positions in securities by means of derivative contracts, the power to trade on margin through derivative instruments and the power to trade in all types of currencies, futures contracts on regulated exchanges, forward contracts, commodity indices, swaps, options on the foregoing and other derivatives and other instruments and types of investments not described in this Prospectus.

Certain Fees and Expenses Charged to the Sub-Fund

The Sub-Fund will be obligated to reimburse York for certain of its out-of-pocket costs and expenses in connection with the Investment Management Agreement, including, but not limited to, external research expenses and investment-related travel expenses. These fees and expenses include those related to potential purchases and sales even if not consummated as well as for general research which may benefit the Sub-Fund and other accounts managed by York or its affiliates and which may, along with the fees and expenses associated with legal counsel and certain other agents and consultants retained by or on behalf of the Sub-Fund, whether or not directly useful to the Sub-Fund, be allocated among the Sub-Fund and other accounts managed by York or its affiliates. Such allocation may be based on the ratio that the total assets in the Sub-Fund bears to all other accounts managed by York or its affiliates or such other ratio that York deems appropriate in its discretion. In such circumstances, the Sub-Fund may pay a greater or smaller portion of such fees and expenses than if an attempt were made to allocate such fees and expenses directly based on the direct benefit to the Sub-Fund and such other accounts managed by York or its affiliates. No expenses will be charged to the Sub-Fund unless York, in its judgement, deems that the Sub-Fund will benefit from the related service.

Selection of Brokers and Dealers

In selecting brokers or dealers to execute particular transactions, York will act in full compliance with all applicable laws and regulations to which it is subject.

4. Base Currency

The Base Currency of the Sub-Fund is the EURO.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the “shares and other financial assets’ UCIs” type.

6. Dealing Day

The Dealing Day of the Sub-Fund is every Wednesday that is a Banking Day provided that where such Dealing Day would fall on a day observed as a holiday, such Dealing Day shall then be the next Banking Day following such holiday. Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12:00 noon Luxembourg time on the third Banking Day prior to the relevant Dealing Day.

7. Launch Date

The Sub-Fund was launched on 29th July, 2009.

8. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2.5% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee.

(ii) the Management Company will receive a **Distribution Fee** of up to 2.5% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee.** Equalisation methodology is not used in the calculation of the Performance Fee; the Performance Fee is calculated for each Class on a Class-wide basis rather than with respect to increases in value in an individual investor's Shares. The Performance Fee will be calculated as follows:

The Performance Fee will be calculated in respect of each period of twelve months beginning on 1st April and ending on the following 31st March (each of which is a **Calculation Period**). The first Calculation Period ended on 31st March 2010. The Performance Fee will be calculated and accrued daily as an expense of the relevant Share Class and will be payable to the Investment Manager in arrears within 14 Banking Days of the end of each Calculation Period.

For each Calculation Period, the Performance Fee will be equal to a percentage figure (as specified in the table Summary of Shares below) of any "New Net Appreciation" of the relevant Share Class.

The **New Net Appreciation** of a Share Class shall equal:

(1) with respect to all the B, C, D, F and Z Share Classes (if any), the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the "High Water Mark" (defined below) attributable to such Share Class; or

(2) with respect to the A Share Classes (if any), the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the sum of the Aggregate Benchmark Amount (defined below) for such Calculation Period and the High Water Mark attributable to such share class.

The **High Water Mark** attributable to a Share Class is either:

(a) the Last Performance Fee Payment Date NAV, subject to adjustment as follows: The Last Performance Fee Payment Date NAV shall be increased when additional subscriptions are made to such Share Class (by the amount of the subscription), and shall be reduced proportionately whenever a redemption is made or a dividend is paid from such Share Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of such Share Class immediately after, and the denominator of which is the Net Asset Value of such Share Class immediately prior to, such redemption or dividend (Net Asset Value of the Share Class in each case to be calculated prior to reduction for any accrued Performance Fee.)

or

(b) if no Performance Fee has ever been paid, then the aggregate Subscriptions minus the aggregate redemptions and dividends from the relevant Share Class through the date of determination.

The **Aggregate Benchmark Amount** for each Calculation Period equals the sum of the Benchmark Amounts calculated throughout the relevant Calculation Period.

The **Benchmark Amount** equals the Benchmark multiplied by the High Water Mark of the relevant Share Class.

The **Benchmark** means the performance benchmark for the relevant Share Class, as set out in the table Summary of Shares.

The **Last Performance Fee Payment Date NAV** as of any date of determination is the Net Asset Value of such Share Class as of the most recent Calculation Period end (31st March) at which a Performance Fee was paid by such Share Class (after reduction for the Performance Fee then paid and for the dividends paid out to the shareholders of such Share Class in relation to the Calculation Period then ending).

If a redemption is made or a dividend is paid from the relevant Share Class as of a date other than 31st March, a Performance Fee (if accrued as of the date of such redemption or dividend) shall be crystallized in respect of the Shares being redeemed or the amounts being distributed as a dividend (as applicable) and paid to the Investment Manager within 14 Banking Days after the relevant Dealing Day or date as of which such dividend is declared (as applicable). Crystallized Performance Fees shall remain in the relevant Share Class (but shall not participate in subsequent gains and losses of the relevant Share Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or dividends or pay any fees and expenses of the relevant Share Class.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, York will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

If the appointment of the Investment Manager is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of such Calculation Period; and

(iv) the Management Company will receive an Administrative and Operating Fee equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

9. The Investment Manager

The Investment Manager, founded in 2008, is part of the York Capital Management group of companies. York Capital Management is a well established group founded in 1991, specialising in multi-strategy, event driven trading strategies with approximately USD 24.9 billion in assets under management, as of 1 November 2014. The York Capital Management team consists of approximately

200 employees in total, of which approximately 50 are investment professionals, with offices in New York, London and Hong Kong.

10. Shares

Investors should note that the B, C and D Share Classes are now closed to new investment. The Directors in conjunction with the Investment Manager may re-open these Classes for further investment.

Summary of Shares

Class	A	B	C	D	E	F	Y	Z
Type	Institutional	Institutional	Retail	Institutional	Institutional	Retail	Retail	Retail
Availability	Available to all Institutional Investors	Share class closed to new investment. The Directors in conjunction with the Investment Manager may re-open this Class for further investment	Share class closed to new investment. The Directors in conjunction with the Investment Manager may re-open this Class for further investment.	Share class closed to new investment. The Directors in conjunction with the Investment Manager may re-open this Class for further investment.	Available to all Institutional Investors	Available to all investors	Available only to: (a) sub-distributors which have established an investment advisory relationship in writing with their clients, in return for a fee; or to (b) discretionary portfolio managers which have established an investment discretionary relationship in writing with their clients in return for a fee	Available to appointed distributors only
Combined Investment Management and Distribution Fee	1.25% p.a.	1.25% p.a.	2.25% p.a.	1.0% p.a.	1.25% p.a.	2.25% p.a.	1.25% p.a.	1.25% p.a.
Performance Fee	25% of New Net Appreciation above the Aggregate Benchmark Amount	15% of New Net Appreciation	15% of New Net Appreciation	10% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation
Benchmark	Euro OverNight Index Average (EONIA®)	None	None	None	None	None	None	None
Sales charge	0%	0%	Up to 5%	0%	0%	Up to 5%	Up to 5%	Up to 5%
Redemption charge	0%	0%	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

THIRD SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – CCI HEALTHCARE LONG-SHORT UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – CCI HEALTHCARE LONG-SHORT UCITS FUND (the "**Sub-Fund**").

1. Investment Objective and Process

1.1 Investment Objective

The objective of the Sub-Fund is to maximize investment returns over the short and long terms, while attempting to minimize risk. The Sub-Fund pursues this objective by generally investing primarily in publicly traded common stocks, ETF's and other equity related or linked securities of companies engaged in the healthcare and life science sector (e.g. pharmaceuticals, biotechnology, genomics, medical technology, specialty pharmaceuticals, hospital services and other health services). Investment decisions are based on the Investment Manager's evaluation of a company's fundamental outlook relative to market expectations. This is determined by examining company fundamentals, industry factors, economic conditions and secular trends. The Investment Manager takes long positions in companies that the Investment Manager believes will produce positive momentum and results that will exceed investor's expectations and short positions in companies that are likely to produce declining momentum and where results will fall short of expectations. Short positions are achieved via OTC Derivatives. There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Process

The Sub-Fund intends to use a disciplined fundamental approach to equity investing known as "momentum and surprise". The Sub-Fund's disciplined approach is based on historical observation that when a company demonstrates positive momentum and positive surprise, and therefore exceeds investor expectations, its stock price will rise, producing superior returns. Conversely, when a company fails to meet investor expectations, its stock price will decline, thereby producing negative returns.

The Investment Manager focuses on leading indicators that help determine whether a company's business trends are improving (positive momentum) or deteriorating (negative momentum), and whether future fundamental results will exceed expectations (positive surprise) or fall short of expectations (negative surprise). Examples of key leading indicators include new products, competition, government regulation, and new market opportunities. Consensus expectations are determined by using a range of sources, including company management, investment brokers, regional specialists, a company's competitors and suppliers and the financial and trade press. In determining potential investments, the Investment Manager relies heavily upon in–house research as well as brokerage reports, management meetings, industry events (such as sell side conferences and medical meetings) and meetings/conference calls with industry professionals, consultants, lawyers and medical professionals. Those companies that the manager believes will produce positive momentum and results that will exceed investor's expectations are candidates for the portfolio. Conversely, the Investment Manager will sell or short companies that it believes will produce declining momentum and where results will fall short of expectations.

Stocks selected for the Sub-Fund's portfolio are continuously monitored and generally remain in the portfolio for as long as they continue to achieve or exceed expectations (or the converse if they are short investments). The Investment Manager will trade around core positions as market conditions and new information dictate.

Although the Sub-Fund invests primarily in U.S. and non–U.S. equity securities, the Sub-Fund may also invest in debt securities, options, convertible securities, warrants, American Depositary Receipts ("ADRs") and other financial instruments, such as ETF's and options on stocks and indices.

1.3 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. General

The Sub-Fund's assets will be predominantly invested in common stocks and other equity related or linked securities of companies engaged in the healthcare and life science sector, and in related synthetic short positions.

Where the Investment Manager wishes to take short positions, it will do so exclusively through the use of financial derivative instruments. The Sub-Fund will take long and short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions.

The pricing of OTC Derivative contracts will be performed independently of the trading desks of the OTC counterparties, which are the counterparties to the Sub-Fund in respect of OTC Derivative contracts.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Funds' assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 20% to 75% of the Sub-Fund's NAV. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 0% to 50% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 40% of its Net Asset Value and will not exceed 75% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

3. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to of the value of equity instruments and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment.

In addition to the specific warnings listed below, investors should also refer to the "Risk Factors" in section 8 of the Prospectus, more specifically section 8.2 Market Risks and section 8.5 Use of Derivatives of the Prospectus.

Investment Management

The investment performance of the Sub-Fund is substantially dependent on the services of certain directors of and/or individuals employed by the General Partner of the Investment Manager. In the event of the death, incapacity, departure, insolvency or withdrawal of any of these individuals, the performance of the Sub-Fund may be adversely affected.

Healthcare and Life Science Companies

Investing in securities and other instruments of healthcare companies involves substantial risks, including but not limited to, the following: certain companies in the portfolio of the Sub-Fund may have limited operating histories; rapidly changing technologies and the obsolescence of products; change in government policies; changing investors' sentiments and preferences with regard to healthcare sector investments (some of which are generally perceived as risky) may have an adverse effect on the price of underlying securities; volatility in the U.S. and non–U.S. stock markets affecting the prices of healthcare company securities may cause the performance of the Sub-Fund to experience substantial volatility; and most pharmaceutical and biotechnology companies, and many other companies in the healthcare sector, are subject to extensive government regulation. In addition, obtaining governmental approval for new products from governmental agencies can be lengthy, expensive and uncertain.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

4. Base Currency

The Base Currency of the Sub-Fund is the USD.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "shares and other financial assets' UCIs" type.

6. Dealing Day and Net Asset Value

The Dealing Day of the Sub-Fund is each Valuation Day which is a Wednesday, provided that in any case where such Dealing Day would fall on a day observed as a holiday, such Dealing Day shall then be the next Banking Day following such holiday. In addition, the Net Asset Value is calculated on every Banking Day, for reporting and fee calculation purposes only.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day.

7. Launch Date

The Sub-Fund was launched on 29th January, 2010.

8. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee.

(ii) the Management Company will receive a Distribution Fee of up to 2.25% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a Performance Fee of up to 20% of New Net Appreciation calculated by reference to each Share Class's High Water Mark (as specified in the table Summary of Shares).

The Performance Fee will be calculated in respect of each period of twelve months beginning on 1 January and ending on the following 31 December (a calculation Period).

The first Calculation Period ended on 31 December 2010. The Performance Fee will be calculated and accrued daily as an expense of the relevant Share Class and will be payable to the Investment Manager in arrears within 7 Banking days of the end of each Calculation Period.

The New Net Appreciation shall equal the amount by which the Net Asset Value of the relevant Share Class (prior to reduction for accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark; provided that no Performance Fee will be payable with respect to the Share Class unless the Net Asset Value of the relevant Share Class as of the end of the relevant Calculation Period (prior to reduction for accrued Performance Fee) exceeds its "High Water Mark".

The **High Water Mark** attributable to each Class is either

a) the highest Net Asset Value per Share of the relevant Share Class noted as of the end of each fiscal year (31st December) since inception of the Sub-Fund; or

b) if no Performance Fee has ever been paid, then the NAV per Share of the relevant Share Class at the inception of the Sub-Fund.

If a Redemption is made from the relevant Share Class as of a date other than 31 December, a Performance Fee (if accrued as of the date of such Redemption) shall be crystallized in respect of the Shares being redeemed and paid to the Investment Manager 14 Banking Days after the redemption day (or upon termination of the Investment Management Agreement, if earlier). Crystallized Performance Fees shall remain in the relevant Share Class until paid to the Investment Manager, and shall not be used or made available to satisfy Redemptions or pay any fees and expenses of the relevant Share Class.

If the appointment of the Investment Manager is terminated during a Performance Period the Performance Fee in respect of the current Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

(iv) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

9. Investment Manager

Columbus Circle Investors GP, a Delaware general partnership, has been appointed as Investment Manager of the Sub-Fund pursuant to an investment management agreement as dated.

Columbus Circle Investors GP is owned by CCIP, LLC, a Delaware limited liability company, and by Principal Global Columbus Circle, LLC, a Delaware corporation and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended. The CCI group as at January 2010 manages USD 16 billion mostly through investments in long only funds focusing on large cap growth, mid cap growth, small cap growth, technology and healthcare, and currently has approximately 45 employees and 1 principal office located in One Station Place, 8th floor, Stamford, CT 06902.

10. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table following:

Summary of Shares

Class	B	C	D	Y	Z	Management
Type	Institutional	Retail	Institutional.	Retail	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Share class closed to new investment. The Directors in conjunction with the Investment Manager may re-open this Class for further investment	Available only to: (a) sub-distributors which have established an investment advisory relationship in writing with their clients, in return for a fee; or to (b) discretionary portfolio managers which have established an investment discretionary relationship in writing with their clients in return for a fee	Available to appointed distributors only	Restricted to staff of Investment Manager and affiliates only. The Directors in conjunction with the Investment Manager may re-open this Class for further investment
Minimum Initial Subscription Amount	N/A	N/A	€4,000,000 or $4,000,000 or £4,000,000	N/A	N/A	$1,000
Combined Investment Management and Distribution Fee	1.5% p.a.	2.25% p.a.	1.5% p.a.	1.5% p.a.	1.5% p.a.	0% p.a.
Performance Fee	20% of the outperformance above the High-Water Mark	20% of the outperformance above the High-Water Mark	15% of the outperformance above the High-Water Mark	20% of the outperformance above the High Water Mark	20% of the outperformance above the High Water Mark	0%
Sales charge	0%	Up to 5%	0%	Up to 5%	Up to 5%	0%
Redemption charge	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

FOURTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – YORK ASIAN EVENT-DRIVEN UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – YORK ASIAN EVENT-DRIVEN UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Process

1.1 Investment Objective

The investment objective of the Sub-Fund is to achieve consistent superior risk-adjusted investment results over time relatively independent of the returns generated by the overall equity markets by investing primarily in equity securities of Asian companies using a catalyst-driven, fundamental value approach. The Sub-Fund focuses primarily on three areas of investment opportunities: event equities, risk arbitrage and value equities.

1.2 Investment Policy

The Sub-Fund will invest in securities that are subject to corporate events such as mergers, consolidations, acquisitions, asset transfers, tender offers, exchange offers, spin-offs, recapitalizations, liquidations, restructurings, refinancings or bankruptcy proceedings. The Sub-Fund will also invest in other types of special situation and value-oriented opportunities, including, without limitation, pair trading and longer-term investments. The Sub-Fund may employ various hedging strategies in an attempt to promote principal safety and return stability. While complying at any time with the Investment Restrictions under section 6 of the Prospectus, the Sub-Fund's portfolio may be highly concentrated at times with a significant percentage of its assets being allocated to relatively few positions. Such concentration, while producing greater risk, may yield greater return. Up to 20% of the Sub-Fund's Assets, valued at the time of investment, may be invested in securities of companies that are not listed on an Asian stock exchange or that do not have significant business relationships in Asia.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Funds' assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 0% to 80% of the Sub-Fund's NAV. Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 120 to 300% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

1.3 Market Opportunity

York UCITS Holdings, LLC ("**York**" or the "**Investment Manager**"), by using its Hong Kong office and through its affiliation with York Capital Management Asia (HK) Advisors Limited ("**York Asia**"), offers the Sub-Fund a strategic Asian base to source and monitor investment opportunities in the Pacific Rim. York Asia is one of the companies in the York Group, and serves as a Hong Kong subsidiary and provides investment advice to York. York Asia gains insights from local media, proximity to companies it invests in, and access to the Asian investment and business communities. By understanding local markets, York can identify opportunities as they emerge and quickly discover companies that are misunderstood and undervalued. York Asia does not have direct responsibility as investment manager of the Sub-Fund, nor does it have any discretion in investment decisions. That responsibility lies with York UCITS Holdings, LLC.

1.4 Investment Approach

York generally bases its investment decisions on internally generated research and, from time to time, on research obtained from outside sources. It attempts to take a mathematical and analytical approach to investing by evaluating the downside/upside potential as well as, in the case of securities subject to extraordinary corporate activity, the probability of completion of each transaction in order to calculate the expected return. York then measures that return against its estimation of the return required to compensate for the amount of risk in the investment. York attempts to minimize its loss exposure in each specific situation by having position size determined by downside potential.

1.5 Investment Process

The investment strategies primarily used by York in investing assets of the Sub-Fund are summarized below.

1.5.1 Event Equities

General

When York believes that there is a strong likelihood that a company may soon make an announcement of a strategic nature that could have a material effect on the price of the company's securities, the Sub-Fund may purchase securities of the company. For example, York may anticipate that such an announcement will be made by a company that has previously reported that it is evaluating strategic options such as an acquisition or divestiture, a top management change or any other corporate activity that might change the status quo. This investment strategy utilizes a bottom-up analysis that relies on understanding the financial statements of an issuer and seeks to identify corporate catalysts which may offer superior investment potential over the relative near term.

Spin-Offs

When a company proposes to spin-off a part of its business or operations, the value of its securities on or after the date of the spin-off may be higher than the market price at which the securities are trading upon announcement of the proposed spin-off. York evaluates the proposed spin-off and if York determines that the likelihood of consummation of the spin-off is high, the Sub-Fund may purchase the securities of the company that is the subject of the spin-off.

Industry Consolidations

As a result of structural, regulatory or other dramatic change, many industries undergo periods of rapid consolidation. York evaluates industry consolidation trends and may purchase or sell securities in companies that may be part of such consolidation, especially if the underlying economic fundamentals of such companies or industries are particularly attractive. York also targets securities in companies that may be acquired through a competitive auction process.

Liquidations

In a liquidation, all or substantially all of the assets of a company are sold, with the net proceeds of such sales distributed to the shareholders of such company. There may be several liquidating distributions in connection with a particular liquidation. York evaluates the assets of the company proposed to be liquidated and determines the likelihood that all necessary approvals for the transaction, including the approval of shareholders, will be obtained. If York believes that the value of the assets of the company proposed to be liquidated exceeds the market price of its securities, and that the likelihood of consummation of the proposed liquidation is high, the Sub-Fund may purchase the securities of the company proposed to be liquidated. If the liquidation is completed, the Sub-Fund would expect to realize a profit from the differential between the cost of the securities purchased and the amount of the liquidated distributions.

Post-Bankruptcy Equities

After a company emerges from the bankruptcy process, existing common shares are often cancelled and distressed debt is frequently converted into a new issuance of common equity, generally referred to as post-bankruptcy equities or orphan equities. The bankruptcy process involves various classes of claimants that debate the value of the bankrupt company and present an estimate of the firm's value that is often designed to advance their individualized claims on the bankruptcy estate. This dynamic often fosters an ultimate misunderstanding around the valuation of post-bankruptcy equities, and in many cases, these equities are substantially undervalued. These securities may also be volatile as former debt investors seek liquidity in their newly formed equity stakes, creating superior investment opportunities.

Short Sales through Derivatives

In certain situations where York believes a company's securities are particularly overvalued and/or may be the subject of negative news in the near term, the Sub-Fund may sell the securities of the company short in expectation of covering the short sale at a purchase price lower than that received in the short sale. The profit realized, if any, is the difference between the proceeds received from the short sale and the cost of the securities purchased to cover the short sale. The Sub-Fund may also use short sales as a hedging technique in seeking to manage the risk profile of its investment portfolio. Selling securities short would be achieved only through the use of financial derivative instruments.

Pair-Trading

Pair-trading consists of buying one security and simultaneously selling short another security, generally within the same industry group. Any such short selling will be conducted exclusively by means of financial derivative instruments. The Sub-Fund engages in pair-trading when York deems the security to be significantly undervalued (in the case of a security bought) or overvalued (in the case of a security sold) relative to its peers or one of its peers. Pair-trading is also utilized if York deems a particular security to be meaningfully mispriced or anticipates an extraordinary event relating to such security taking place in the near future and desires to hedge the systematic market risk inherent in such security.

1.5.2 Risk Arbitrage

General

Risk arbitrage involves the purchase of securities that are the subject of a takeover attempt prior to the time when the market price of the securities fully reflects the value offered to the shareholders, in the expectation that the securities will rise to at least the value offered to the shareholders. The Sub-Fund uses different arbitrage techniques with respect to the various kinds of transactions to be arbitraged.

Cash Tender Offers and Cash Mergers

At the time when a cash tender offer or a cash merger proposal is announced, the offering price for the securities of the target company is typically higher than the market price of such securities. York evaluates the proposed cash tender offer or cash merger proposal and if York believes that the likelihood of consummation of the transaction is high, or that another bidder may offer a higher price, the Sub-Fund may purchase the securities of the target company. If the transaction is completed, the Sub-Fund would expect to realize a profit from the differential between the cost of the securities purchased and the amount received from the acquiring company.

Exchange Offers and Certain Mergers

At the time when an exchange offer or a proposal for a merger is announced, the market price of the securities of the acquiring company that would be issued in the transaction is typically greater than the market price of the securities of the target company for which they are to be exchanged, although this differential or spread generally narrows or disappears as the closing date of the exchange offer or merger approaches. York evaluates the proposed exchange offer or merger and if York determines that the likelihood of consummation of the transaction is high, or that another bidder may offer a higher value, the Sub-Fund may purchase the securities of the target company. In order to hedge against the risk of market fluctuation in the securities to be received, the Sub-Fund may obtain short exposure to the acquiring company by use of financial derivative instruments. If the transaction is consummated, the Sub-Fund may then exchange the securities of the target company for the securities issued by the acquiring company and may cover its short derivative exposure, if any, with the securities so received.

1.5.3 Value Equities

General

York's value equities strategy targets a fundamental value approach to analyzing investment opportunities. York attempts to identify long positions trading at substantial discounts to their intrinsic values. York believes that this gives the Sub-Fund's investments "asymmetric" return characteristics, with substantial appreciation potential and less downside risk on average. York constantly re-evaluates the Sub-Fund's portfolio in light of industry and capital market trends and events. In evaluating "intrinsic value", York looks to public and private market transactions, free cash flow multiples and other measures of tangible value.

Longer Term Situations

From time to time, York may believe that it has identified a dramatically undervalued situation with the potential for substantial long term gains. If York believes that events in the medium to long term may cause investors to recognize the value of the company, such that the true value of the company's assets will be reflected by the stock price, York may purchase securities of the company. York believes that market out-performance can be achieved by fundamental analysis combined with an understanding of how corporate events impact a company's valuation. Examples of longer term, value-oriented opportunities that the Sub-Fund may seek for its portfolio include, without limitation, the following:

- Companies with pending or anticipated corporate events that are likely to trigger the market's revaluation of the company;
- Companies with unique or high value-added products or services, with or without continuing management;
- Out-of-favour companies with visible potential operating cash flows and/or liquidation or break-up values;
- Companies positioned to benefit from industry consolidation;

- Businesses that are understandable, but may have complex legal, operational and financial issues;
- Companies with competitive positions in well-defined market segments or niches;
- Fundamentally sound operating companies with sustainable margins that may have poorly conceived capital structures;
- Companies with experienced, effective management teams with demonstrated track records of success; and/or
- Companies with strong financial and managerial controls and efficient, cost-effective production techniques.

1.6 Risk Management

The Management Company is responsible, under the supervision of the Board of Directors, for the risk management of the Sub-Fund and may, as the case may be, give instructions at any time to the Investment Manager with a view to complying with the Investment Restrictions.

Risk management is also embedded into the investment management function performed by the Investment Manager. York's Risk Management Committee is comprised of senior management professionals, responsible for establishing and monitoring all risk management policies of the firm, including, but not limited to limits and guidelines, counterparty exposure, and hedging. The following individuals comprise the Risk Management Committee; Matthew Samuelowitz (Chair, Senior Risk Manager), John Fosina (Chief Financial Officer), Todd Saumier (Global Head of Operations), Mark Schein (Chief Compliance Officer), Derek Toross (Treasurer), Jeff Weber (President & Chief Operating Officer). The Risk Department supports the Risk Management Committee and York's overall risk management process. The committee meets formally every week to review portfolio level risk, including exposures, concentrations, leverage and other relevant statistics.

1.7 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. General

The Sub-Fund's assets will be predominantly invested in equities listed on a Regulated Market, either directly or through financial derivative instruments including (but not limited to) OTC swap transactions on an arm's length basis with counterparties approved by the Board of Directors, options, forward contracts and futures.

The net market exposure of the Sub-Fund may vary according to the Investment Manager's view of market prospects and the Sub-Fund may be net short of markets or net long of markets. Where the Investment Manager wishes to take short positions, it will do so exclusively through the use of financial derivative instruments. Some of the Sub-Fund's assets may also be held on an ancillary basis in cash or cash equivalents, pending reinvestment, if this is considered appropriate to the investment objective. Any such investments will generally not be held for speculative purposes, but will be ancillary to the primary investment strategy of the Sub-Fund.

The Sub-Fund's assets will, together with any cash or cash equivalents and any fees and expenses, be valued on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund on each Valuation Day. The pricing of OTC Derivative contracts will be performed independently of the trading desks of the OTC swap counterparties, which are the counterparties to the Sub-Fund in respect of OTC Derivative contracts.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 100% of its Net Asset Value and will not exceed 200% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

3. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to a basket of transferable securities and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment.

Investors should also refer to the "Risk Factors" in section 8 of the Prospectus, more specifically section 8.2 "Market Risks", section 8.4.17 "Risks associated with investing in the People's Republic of China (PRC)", section 8.4.18 "Trading in securities through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect" and section 8.5 "Use of Derivatives" of the Prospectus as well as the "Information required by the securities laws of certain jurisdictions" in section 19 of the Prospectus since the Sub-fund will be investing in Securities in India and China.

Risk Arbitrage Transactions

The Sub-Fund may purchase securities at prices slightly below the anticipated value of the cash, securities or other consideration to be paid or exchanged for such securities, in a proposed merger, exchange offer, tender offer, spin-off or other similar transaction. Such purchase price may be substantially in excess of the market price of the securities prior to the announcement of the merger, exchange offer, tender offer, spin-off or other similar transaction. The consummation of such transactions can be prevented or delayed by a variety of factors. If the proposed transaction later appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities purchased by the Sub-Fund may decline sharply and result in losses to the Sub-Fund. In certain transactions, the Sub-Fund may not be "hedged" against market fluctuations. This can result in losses, even if the proposed transaction is consummated.

In addition, short exposure to a security involved in a merger or exchange offer may be gained by use of derivatives by the Sub-Fund in the expectation that the short derivative exposure will be covered by delivery of such security upon such merger or exchange.

If the merger or exchange offer is not consummated, the Sub-Fund may be forced to cover its short exposure at a higher price than its short sale price, resulting in a loss.

Financial and Market Risks of Bankrupt and Special Situation Companies

The Sub-Fund may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial and business risks that can result in substantial or total losses.

Asian Risks

A substantial portion of the Sub-Fund's assets will be invested in securities issued by Asian issuers traded on Asian exchanges and markets. Any Asian country or regional specific financial, political, economic or other event or news originating from or related to Asia could therefore adversely affect the performance of the Sub-Fund in a significant manner.

Some investments will be made in securities issued by Asian issuers on emerging Asian markets, which involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation, (ii) greater social, economic and political uncertainty including war, (iii) higher dependence on exports and the corresponding importance of international trade, (iv) greater volatility and small capitalisation of securities markets, (v) greater volatility in currency exchange rates, (vi) greater risk of inflation, (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for Euros, (viii) increased likelihood of governmental involvement in and control over the economies, (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies, (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers, (xi) less extensive regulation to the securities markets, and (xii) longer settlement periods for securities transaction and less reliable clearance and custody arrangements.

Prolonged Declines of Japanese Equity Markets

The Japanese equity markets (as represented by the Nikkei 225 index) experienced a prolonged period of decline from 1990 through the end of 2002. Any prolonged periods of Japanese or other Asian stock market declines in the future may make it more difficult for the Sub-Fund to achieve its investment objective.

Possible Trade or Business Within the United States

A portion of the assets of the Sub-Fund will be invested in the U.S. markets. The Sub-Fund intends to limit its activities within the United States and otherwise conduct its affairs and structure its investments so that, to the extent feasible and consistent with its overall investment objectives, it will not be treated as engaged in a trade or business within the United States. If the Sub-Fund were nevertheless considered to be engaged in a trade or business within the United States, income and gain of the Sub-Fund that was treated as "effectively connected" with that U.S. trade or business would be subject to U.S. federal income tax at graduated rates and, in addition, subject to an additional "branch profits" tax. The Sub-Fund's payment of those taxes, if required, could result in a reduction of the amount of assets available for distribution to investors.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

Investment Approach

York has broad investment powers and flexibility, including, among other things, the power to take short positions in securities by means of derivative contracts, the power to trade on margin through derivative instruments and the power to trade in all types of currencies, futures contracts on regulated exchanges, forward contracts, commodity indices, swaps, options on the foregoing and other derivatives and other instruments and types of investments not described in this Prospectus.

Certain Fees and Expenses Charged to the Sub-Fund

The Sub-Fund will be obligated to reimburse York for certain of its out-of-pocket costs and expenses in connection with the Investment Management Agreement, including, but not limited to, external research expenses and investment-related travel expenses. These fees and expenses include those related to potential purchases and sales even if not consummated as well as for general research which may benefit the Sub-Fund and other accounts managed by York or its affiliates and which may, along with the fees and expenses associated with legal counsel and certain other agents and consultants retained by or on behalf of the Sub-Fund, whether or not directly useful to the Sub-Fund, be allocated among the Sub-Fund and other accounts managed by York or its affiliates. Such allocation may be based on the ratio that the total assets in the Sub-Fund bears to all other accounts managed by York or its affiliates or such other ratio that York deems appropriate in its discretion. In such circumstances, the Sub-Fund may pay a greater or smaller portion of such fees and expenses than if an attempt were made to allocate such fees and expenses directly based on the direct benefit to the Sub-Fund and such other accounts managed by York or its affiliates. No expenses will be charged to the Sub-Fund unless York, in its judgement, deems that the Sub-Fund will benefit from the related service.

Selection of Brokers and Dealers

In selecting brokers or dealers to execute particular transactions, York will act in full compliance with all applicable laws and regulations to which it is subject. The Investment Manager may effect transactions or arrange for the effecting of transactions through brokers with which it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Investment Manager. The services which can be paid for under such arrangements are those permitted under the jurisdiction of the Investment Manager, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the Investment Manager. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment management services to the Sub-Fund and to other third parties. Specifically, the Investment Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the Investment Manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services, including (depending on the precise nature of the services) market price services, electronic trade confirmation systems or third party electronic dealing or quotation systems, may be used by the Investment Manager in connection with transactions in which the Sub-Fund will not participate.

4. Base Currency

The Base Currency of the Sub-Fund is the EUR.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "shares and other financial assets' UCIs" type.

6. Dealing Day

The Dealing Day of the Sub-Fund is each Valuation Day which is a Wednesday, provided that in any case where such Dealing Day would fall on a day observed as a holiday, such Dealing Day shall then be the next Banking Day following such holiday. In addition, the Net Asset Value is calculated on every Banking Day, for reporting and fee calculation purposes only.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the third Banking Day prior to the relevant Dealing Day.

7. Launch Date

The Sub-Fund was launched on 3rd November, 2010.

8. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

(ii) the Management Company will receive a **Distribution Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, in regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the amount stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee** of up to 25% of New Net Appreciation calculated by reference to each Share Class's High Water Mark or Benchmark (as specified in the table Summary of Shares). The **New Net Appreciation** of a Share Class shall be calculated for each Share of the relevant Share Class in issue and shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the sum of the Aggregate Benchmark Amount for such Calculation Period (if applicable) and the High Water Mark. Such amounts then shall be aggregated to determine the New Net Appreciation of the relevant Share Class.

(iv) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

FX Hedging Profits and Losses

Shareholders of the Non-Euro Share Classes will be subject to the risk that the value of their respective functional currency will fluctuate against the Euro. Any profit and loss resulting from FX hedging will be allocated only to the Non-Euro Share Class to which the specific hedge relates. Due to the foregoing, each class of Shares may differ from each other in their overall performance.

9. Investment Manager

The Investment Manager, founded in 2008, is part of the York Capital Management group of companies. York Capital Management is a well established group founded in 1991, specialising in multi-strategy, event driven trading strategies with approximately USD 23.4 billion in assets under management, as of November 2014. The York Capital Management team consists of approximately 200 employees in total, of which approximately 55 are investment professionals, with offices in New York, London and Hong Kong.

10. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table at the end of the Supplement.

Summary of Shares

Class	A	B	C	D	Z
Type	Institutional	Institutional	Retail	Institutional	Retail
Availability	Available to all Institutional Investors	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) the Sub-Fund's NAV being greater than or equal to $100 million, or (b) a date to be decided by the Directors in conjunction with the Investment Manager	Available to appointed distributors only
Combined Investment Management and Distribution Fee	1.5% p.a.	1.5% p.a.	2.25% p.a.	1.25% p.a.	1.5% p.a.
Performance Fee	25% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	10% of New Net Appreciation	20% of New Net Appreciation
Benchmark	EONIA	None	None	None	None
Sales charge	0%	0%	Up to 5%	0%	Up to 5%
Redemption charge	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

FIFTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – AQR GLOBAL RELATIVE VALUE UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – AQR GLOBAL RELATIVE VALUE UCITS FUND (the "**Sub-Fund**").

With effect from 26th May 2017, the Sub-Fund is closed to new subscriptions or switches in (but not to redemptions or switches out), except from existing Shareholders, their affiliates or from investors who have committed to subscribe within six months of 26th May, 2017. The Sub-Fund may be re-opened to new subscriptions or switches in without notice to Shareholders at the Company's discretion.

Investors should contact the Company or the Management Company for the current status of the Sub-Fund.

1. Investment Objective, Policy and Process

1.1 Investment Objective

The investment objective of the Sub-Fund is to produce high, risk-adjusted returns while targeting a low long term average correlation to the traditional markets. This is achieved through the use of nine sub-strategies, set out below under the Investment Policy. The Sub-Fund attempts to capture the systematic component of dynamic trading strategies traditionally pursued by absolute return managers using a rigorous, risk controlled investment approach. The Sub-Fund achieves its objective by investing internationally in a broad range of instruments, including, but not limited to, equities, bonds, currencies, credit derivatives, convertible securities, futures, forwards, options, swaps and other derivative products. The Sub-Fund will attempt to achieve its exposure to equities and convertible bonds solely through the purchase and sale of the underlying securities using derivatives.

The Sub-Fund will not gain outright short exposure by short selling securities directly. All short exposure will be taken through the use of derivatives only.

1.2 Investment Policy

The Sub-Fund's investment strategy employs numerous investment sub-strategies:

- Long/Short Equity and Equity Market Neutral: This strategy provides long and short exposure to a diversified portfolio of equities. This strategy is implemented using primarily a combination of Total Return Swaps and stock index futures. This strategy is currently employed for equities in the following countries/regions: U.S., U.K., Continental Europe and Japan.
- Global Macro: This strategy provides long and short exposure to developed country equity markets, using primarily stock index futures, options and/or swaps; long and short currency exposure to developed markets, using primarily forward contracts; long and short exposure to developed country bond markets, using primarily bond futures and/or interest rate swaps; and long and short exposure to developed country interest rate markets, using primarily interest rate futures.
- Emerging Markets: This strategy provides long and short exposure to emerging country equity markets, using primarily swaps and other derivative instruments; long and short currency exposure to emerging markets, using primarily forward and non-deliverable forward contracts; long and short exposure to a basket of liquid equity securities issued on emerging and developed markets exchanges; and long and short exposure to a diversified portfolio of emerging equities, using primarily Total Return Swaps and stock index futures.

- Convertible Arbitrage: This strategy utilises quantitative and systematic risk-control methods generally to take positions in various global convertible debt and preferred securities and an offsetting position in various global equities directly linked to the convertible securities. For this sub-strategy, the Investment Manager collaborates with CNH Partners, LLC ("CNH"), which is an established joint venture created by AQR and RAIM Corp. RAIM Corp. was formed by Mark Mitchell and Todd Pulvino, who are principals of CNH. The Investment Manager employs CNH to perform research, investment management, and trade execution services for the convertible arbitrage strategy. This strategy will be implemented using primarily total return equity swaps, credit default swaps, bond futures, interest rate futures, stock index futures, currency forwards, and options.
- Managed Futures: This strategy provides long and short exposure to developed country equity markets, using primarily stock index futures, index options and/or index swaps; long and short exposure to emerging country equity markets, using primarily equity swaps and other equity derivative instruments; long and short exposure to developed country bond markets, using primarily bond futures and/or interest rate swaps; and long and short currency exposure to developed markets, using primarily forward contracts.
- Dedicated Short Bias: This strategy provides long and short exposure to a diversified portfolio of equities, primarily to capture stocks whose returns are likely to go down in the future while attempting to hedge common factor exposures. This strategy is implemented using primarily a combination of Total Return Swaps and stock index futures. This strategy is currently employed for equities in the following countries/regions: U.S., U.K., Continental Europe, Japan, Australia, Asia ex-Japan and Canada.
- Event Driven: This strategy attempts to capitalize on price discrepancies and returns generated by corporate activity. An example is merger arbitrage which will attempt to employ a diversified, disciplined strategy to capture the returns from holding a long/short portfolio of stocks of companies involved in mergers. For this sub-strategy, the Investment Manager collaborates with CNH and employs CNH to perform research, investment management, and trade execution services for the strategy. This strategy will be implemented using primarily total return equity swaps, stock index futures, currency forwards and options.
- Fixed Income Arbitrage: This strategy provides long and short exposure to developed country bond markets, using primarily bond futures and/or interest rate swaps; long and short exposure to developed interest rate markets, using primarily interest rate futures; long and short currency exposure to developed markets, using primarily forward contracts; and long and short exposure to broad investment grade credit markets, using the Dow Jones CDX credit default swap indices.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

The Sub-Fund's investment strategy includes well diversified portfolio of hedge fund strategies, including the following: Convertible Arbitrage, Event Driven (includes Merger Arbitrage), Fixed Income Relative Value, Equity Market Neutral, Long/Short Equity, Dedicated Short Bias, Global Macro, Managed Futures, and Emerging Markets. The uncorrelated nature of the different absolute return strategies allows the Sub-fund to have a low volatility while displaying a relatively high financial derivative exposure. In order to achieve the target risk/return, relative value strategies have to hedge their market risk. The Sub-Fund uses financial derivatives to hedge market risk.

The Sub-Fund monitors the volatility of individual strategies and may reduce risk if conditional volatility is higher than normal/expected. The target volatility of the overall Sub-Fund may be reduced through systematic drawdown control procedures. The model allows the Investment Manager to adjust allocation to each strategy, considering its forecast risk-adjusted returns and opportunity set.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Funds' assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 1000% to 2800% of the Sub-Fund's NAV, out of which 600% to 1800% represents investments in short-term interest rate futures. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 900% to 2600% of the Sub-Fund's NAV, out of which 500% to 1600% represents investments in short-term interest rate futures. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 440% of its Net Asset Value and will not exceed 600% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

1.3 Investment Approach

The Sub-Fund aims to deliver efficient exposure to a well-diversified portfolio of hedge fund strategies, including the following: Convertible Arbitrage, Event Driven (includes Merger Arbitrage), Fixed Income Relative Value, Equity Market Neutral, Long/Short Equity, Dedicated Short Bias, Global Macro, Managed Futures, and Emerging Markets. The strategy of the Sub-Fund is to efficiently and systematically capture a diversified set of absolute return strategies through one fund offering. Using a bottom-up, clearly defined investment process, the strategy provides transparent exposure to the sub-strategies and dynamically allocates capital according to the conditional attractiveness of each underlying strategy. The result is a high risk-adjusted expected return stream with low correlation to traditional asset classes.

The investment research teams of the Investment Manager (as defined below) are led by an Investment Committee which meets periodically to cover such items as performance, risk management, tactical and strategic positioning, and research. The Investment Committee utilises both quantitative analysis and qualitative assessment to determine appropriate weightings across the sub-strategies and will adjust weightings as market volatility, or the relative attractiveness of an opportunity changes.

AQR Capital Management, LLC ("AQR" or the "Investment Manager") emphasizes a team-based approach to both research and portfolio management. Under the direction of the Investment Committee, the investment research and portfolio management teams oversee the strategy research, portfolio management and industry research of the Sub-Fund, including the refinement of existing strategies, and the pursuit of new hedge fund strategies for possible addition to the Sub-Fund. Senior members of these teams include Ronen Israel, Mark Mitchell and Todd Pulvino, all of whom are either Principals of AQR or CNH, an affiliate of AQR. Ronen Israel and Mark Mitchell also serve on the Investment Committee.

1.4 Investment Process

The Investment Manager applies a systematic and disciplined process to its investment and risk management. Decisions are made based on a fundamental, research-driven process, where they apply quantitative tools to help structure and rebalance portfolios and trade securities.

Portfolio Construction

The Sub-Fund is constructed, at both the strategy level and the portfolio level, to provide investors with truly diversifying returns. The Sub-Fund is broadly diversified across a range of global markets. In addition, the Sub-Fund is specifically controlled for traditional passive long equity market exposure at the overall portfolio level, while at times allowing modest active long or short equity market exposure through tactical bets.

Strategy Level

Each of the sub-strategies are constructed using AQR's bottom-up systematic process. In contrast to the overall Sub-Fund, which is designed to be equity market neutral on average, at the strategy level, the Sub-Fund may allow some minor equity-based systematic risk. For example, the equity long/short strategy will typically have a slightly long equity market exposure (depending dynamically on the market's recent performance), while the dedicated short bias strategy has a slightly negative equity market exposure. The equity market neutral strategy on the other hand is built to be truly equity market neutral at all times. On net, the equity exposures from the sub-strategies all should cancel out at the portfolio level on average, and when they do not, AQR's exposure control policy will be activated (unless the portfolio is tactically positioned for a modest long or short equity market exposure). The sub-strategies are overseen by the senior portfolio managers and supported by asset allocation team members, equity strategies team members and arbitrage team members who are responsible for implementing each sub-strategy's systematic investment process.

Portfolio Level

Once each strategy has been individually constructed, AQR combines them into a single portfolio using a long term strategic risk weighting process and a tactical risk allocation. By combining these two methods, AQR feels it can achieve long-term goals while opportunistically taking advantage of attractive strategies. That being said, AQR's portfolio construction process focuses on adding value through equal risk weighting over the long-term.

Sizing Positions

The Investment Committee sets both the long-term strategic risk weights across the individual sub-strategies which will vary only slightly over time, as well as short-term tactical weightings which may deviate from the long-term strategic targets due to shorter term market risks or opportunities. Both the long-term strategic risk weights and the shorter term tactical shifts are determined by the committee using quantitative inputs and subjective assessment of the current market environment. The short-term tactical overweights are designed to vary only modestly from the strategic weights with a maximum overweight of approximately 1.2x the strategic risk weight. However, there is no limit on the tactical underweights and the Investment Committee has the discretion to remove a sub-strategy from the Sub-Fund either temporarily or indefinitely if the perceived risks of the sub-strategy outweigh the potential benefits.

While the long-term strategic and short-term tactical weights across each sub-strategy are determined by the Investment Committee, each sub-strategy is implemented by the Sub-Fund investment teams using a systematic investment process. Each sub-strategy is managed by investment specialists that focus on each sub-strategy and ensure that the systematic investment process is adhered to. For the Convertible Arbitrage and Event Driven sub-strategies, AQR collaborates with CNH and employs CNH to perform part of the investment management services.

1.5 Risk Management

As specified in section 11.6 "Risk Manager" of the Prospectus, the Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the

Sub-Fund and may, as the case may be, give instructions at any time to the Investment Manager with a view to complying with the Investment Restrictions.

The risk management is also embedded into the investment management function performed by the Investment Manager who will use quantitative and qualitative methods to estimate the level of risk for the Sub-Fund. The Investment Manager expects that the use of systematic risk control generally will lead to a highly diversified portfolio. The Investment Manager believes that a large set of small trades, coupled with systematic risk control, can offer a more attractive risk-adjusted return than a small set of large trades.

In addition, the Investment Manager has deployed a risk management team which has developed a proprietary risk management system that is used to monitor a number of metrics daily (or intraday if needed), including VaR, stress losses, liquidity, drawdown, and exposures. Using this system, the risk management team produces daily reports that are distributed to all senior portfolio managers near or before the start of trading.

1.6 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by the Investment Manager.

2. General

The Sub-Fund's assets will be predominantly invested in equities and bonds listed on a Regulated Market, either directly or through financial derivative instruments including (but not limited to) OTC swap transactions on an arm's length basis with counterparties approved by the Board of Directors, options, forward contracts and futures.

3. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to a basket of transferable securities and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment.

Investors should also refer to the "Risk Factors" in section 8 of the Prospectus, more specifically section 8.2 Market Risks and section 8.5 Use of Derivatives of the Prospectus.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

4. Base Currency

The Base Currency of the Sub-Fund is the USD.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

6. Dealing Day

The Dealing Day of the Sub-Fund will be each Valuation Day which is a Wednesday, provided that in any case where such Dealing Day would fall on a day observed as a holiday, such Dealing Day shall then be the next Banking Day following such holiday. In addition, the Net Asset Value will be calculated on every Banking Day, for reporting and fee calculation purposes only.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day.

7. Launch Date

The Sub-Fund was launched on 26th January, 2011.

8. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee.

(ii) the Management Company will receive a Distribution Fee of up to 2% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, in regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the amount stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a Performance Fee of up to 10% of New Net Appreciation calculated by reference to each Share Class's Aggregate Benchmark Amount (as specified in the table Summary of Shares). The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the sum of the Aggregate Benchmark Amount for such Calculation Period and High Water Mark attributable to such Share Class. Such amounts then shall be aggregated to determine the New Net Appreciation of the relevant Share Class.

(iv) the Management Company will receive an Administrative and Operating Fee equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

9. Investment Manager

The Sub-Fund will be managed by AQR Capital Management, LLC ("**AQR**" or the "**Investment Manager**"), a Delaware limited liability company formed in January 1998. The Investment Manager is registered as an investment adviser under the Securities Exchange Commission Investment Advisers Act of 1940, as amended (the "Advisers Act") and as a commodity pool operator and commodity trading advisor under the United States Commodity Exchange Act. CNH Partners, LLC, is a Delaware limited liability company registered as an Investment Adviser with the Securities and Exchange Commission under the Advisers Act. CNH will act as sub-manager (the **Sub-Manager**) to the Sub-Fund for the Convertible Arbitrage and Event Driven sub-strategies. In this regard, the Sub-Manager will contribute to the investment activities of the Sub-Fund, subject to supervision and ultimate control of the Investment Manager. All references to the "Investment Manager" in this Supplement shall be deemed to include the Sub-Manager to the extent appropriate.

The Investment Manager's founding principals, Clifford S. Asness, Ph.D., David G. Kabiller, CFA, John M. Liew, Ph.D. and several colleagues established AQR in January of 1998. The total assets under management for the firm stood at approximately $98.7 billion as of December 31, 2013.

10. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table at the end of the Supplement.

Summary of Shares

Class	A	A2 & A3	C	C1	D	Z	Management
Type	Institutional	Institutional	Retail	Retail	Institutional	Retail	Retail
Availability	Available to all Institutional Investors	Available to all Institutional Investors	Available to all investors	Available to appointed distributors only	Share class closed to new investment. The Directors in conjunction with the Investment Manager may re-open this Class for further investment	Available to appointed distributors	Only available to employees of AQR Capital Management and their affiliates
Minimum Initial Subscription Amount	N/A	£500,000	€10,000 or $10,000 or £10,000 or 10,000 CHF	€10,000 or $10,000	€1,000,000 or $1,000,000 or £1,000,000	€10,000 or £10,000	$10,000
Combined Investment Management and Distribution Fee	1% p.a	1% p.a.	2% p.a.	Up to 2% p.a.	1% p.a.	1% p.a.	0% p.a.
Performance Fee	10% of New Net Appreciation	15% of New Net Appreciation	10% of New Net Appreciation	10% of New Net Appreciation	10% of New Net Appreciation	10% of New Net Appreciation	0% of New Net Appreciation
Benchmark	EUR Class: EONIA USD Class: ML 3 Month T Bill Index GBP Class: Sonia CHF Class: OIS	SONIA	EUR Class: EONIA USD Class: ML 3 Month T Bill Index GBP Class: SONIA CHF Class: OIS	EUR Class: EONIA USD Class: ML 3 Month T Bill Index	EUR Class: EONIA USD Class: ML 3 Month T Bill Index GBP Class: SONIA	EUR Class: EONIA GBP Class: SONIA	None
Sales charge	0%	0%	Up to 5%	Up to 5%	0%	Up to 5%	0%
Redemption charge	0%	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.

SIXTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – OCH-ZIFF EUROPEAN MULTI-STRATEGY UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – OCH-ZIFF EUROPEAN MULTI-STRATEGY UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Process

1.1 Investment Objective

The Sub-Fund's investment objective is to achieve consistent, absolute returns with low volatility, primarily by seeking to exploit pricing inefficiencies in equity and debt securities of European companies through the use of four investment strategies described below in the Investment Strategy. The Sub-Fund may invest in securities of companies domiciled or listed on a stock exchange outside of Europe to the extent that such companies (a) have significant operations in, or derive a significant portion of their revenue from, Europe or (b) are involved in a cross-border merger or other significant event with a company domiciled or listed on a stock exchange in Europe. In addition, the Sub-Fund may invest up to 10% of its assets (measured at the time an investment is made) in companies that are domiciled or listed on a stock exchange in countries outside of Europe and which do not have substantial operations in, or derive a significant portion of their revenue from, Europe and which are not involved in a cross-border merger or other significant event with a European company. The Sub-Fund may invest in a broad range of financial instruments, including, but not limited to, equities, currencies, convertible securities and listed debt securities. The Sub-Fund may also invest in a range of derivative instruments, including, but not limited to, futures, forwards, options, swaps and other derivative products of which the underlying securities may be equities, debt securities, financial indices, convertible securities and currencies. All short exposure will be obtained through the use of derivatives.

1.2 Investment Strategy

The Sub-Fund employs a diverse investment strategy focusing on, among other items, (i) fundamental value-driven investing and (ii) event-driven investing where various corporate, legal or regulatory events would lead to a restructuring or alteration of the capital structure or operations of a corporation. The Sub-Fund's investment strategy includes the following investment sub-strategies:

- Long/Short Equity Special Situations: This strategy provides long and short exposure to a diversified portfolio of equities issued by companies involved in extraordinary corporate events such as changes in management, capital structure changes, recapitalisation and reorganisations, liquidations, divestitures, spin-offs and split-offs. By analysing the deemed effect of the proposed transaction by the company on the share price, the Investment Manager (as defined below) will look to take advantage of pricing discrepancies by taking either a long or short position prior to the consummation of the corporate transaction.
- Merger Arbitrage: Merger arbitrage strategies involve the purchase and sale of securities of companies involved in corporate reorganizations and business combinations, such as mergers, exchange offers, cash tender offers, spin-offs, leveraged buy-outs, restructurings and liquidations.
- Convertible/Derivative Arbitrage: Convertible arbitrage strategies generally involve pricing relationships between convertible securities and related equity securities. This strategy utilises a mathematical and risk-controlled method to take positions in various global convertible debt and preferred securities and offsetting positions in various global equities directly linked to the convertible securities.

- Credit: This strategy targets debt-oriented investment opportunities that are generated during the various phases of credit and economic cycles with a particular focus on long/short bonds and investments in high yield and distressed debt securities.

1.3 Investment Approach

Investments will be realised in compliance with rules and limitations set out in the Law of 17th December 2010, as amended and updated, and in all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, and Grand-Ducal Regulation of 8th February 2008, as summarized under section 6 "Investment Restrictions" of the Prospectus.

The Sub-Fund invests and trades in a portfolio of equity and debt securities and other assets, including common stock; preferred stock; convertible securities; debt instruments; cash and cash equivalents (including Money Market Instruments and money market funds). The Sub-Fund may also invest in a range of derivative instruments, including, but not limited to, futures, forwards, options, swaps and other derivative products of which the underlying securities may be equities, debt securities, financial indices, convertible securities and currencies.

The allocation of capital across asset classes and strategies will vary depending on market opportunities and other factors. It is therefore possible that a substantial portion of the Sub-Fund's assets at any time may consist of debt securities and/or cash and cash equivalents. Through the use of derivatives, the Sub-Fund utilizes leverage in its investment strategy, and its portfolio includes both long and short positions. Short exposure is obtained exclusively through the use of derivatives.

Investments may be made on exchanges, and in OTC markets. The Sub-Fund's merger arbitrage investments will generally involve transactions where at least one of the parties is a European company. The Investment Manager believes that structural changes in European economies and markets have combined to make European risk arbitrage and event-driven opportunities particularly attractive. In evaluating potential investments, the Investment Manager will perform an extensive quantitative and qualitative analysis. Extensive risk analysis is also performed in order to seek to isolate corporate event exposure from systematic and macro-economic risk.

The Sub-Fund will also employ a fundamental and rigorous, credit-intensive approach to identify and exploit inefficiencies in the high yield and distressed debt securities markets. Inefficiencies may arise as a result of mismatches between credit quality and bond yield, a security's price and its realizable claim, the manner in which a company is expected to develop its business and the negative covenants contained within its debt instruments that could restrict such development (sometimes referred to as "covenant arbitrage"), the pricing and valuations of competing creditors within the same capital structure (sometimes referred to as "capital structure arbitrage") and yields on the debt of companies within the same industry (sometimes referred to as "inter-company credit arbitrage"). A variety of trading strategies are employed in order to capitalize on these inefficiencies.

The Investment Manager will consider a wide range of industries in which the Sub-Fund may invest. Such industries may include industries that are covered by personnel of the Investment Manager, including, but not limited to, technology, media, telecommunications, financial services, energy, healthcare products and services, pharmaceuticals, natural resources, industrials and retail, among other industries. Companies representing all stages of growth, from early-stage to mature, will be considered. For the avoidance of doubt, the Sub-Fund may invest in securities of companies-that are not located in Europe, as described in the Investment Objective.

1.4 Investment Process

Investment decisions are generally made based on a bottom-up fundamental analysis (including research-based analysis and due diligence) performed by the Investment Manager's analysts and portfolio managers. Investment ideas are thus often generated by analysts and traders and communicated to portfolio managers for further analysis and review prior to implementation. The investment process is designed to incorporate risk management into every investment decision, using both quantitative and qualitative approaches. Positions are sized and taken based on the availability of appropriate hedging techniques to isolate and manage risk to the extent deemed appropriate by the Investment Manager. The Sub-Fund is permitted to invest in any particular asset class, market, industry and sector within the constraints of the restrictions set forth in the UCITS Regulations. There is no pre-set allocation to any particular strategy or European Country within the Sub-Fund and the Investment Manager has flexibility to allocate capital among any or all of the Sub-Fund's strategies opportunistically across all European countries or only a few. Such allocation will be based on the Investment Manager's view of the market at the time an investment is made.

1.5 Risk Management

As specified in section 11.6 "Risk Manager" of the Prospectus, the Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund and may, as the case may be, give instructions at any time to the Investment Manager with a view to complying with the Investment Restrictions.

The risk management is also embedded into the investment management function performed by the Investment Manager who commits significant resources to system and financial controls, and monitors and manages operational risk on an ongoing basis. While the Investment Manager does not set limits for maximum industry, sector or geographic exposure, it monitors concentrations from a risk management perspective. Actively tracking and managing correlations between investments is an important element of the risk management approach and it is closely monitored by senior management and the portfolio managers.

The Investment Manager will use quantitative and qualitative methods to estimate the level of risk for the Sub-Fund. This is managed and monitored on an ongoing basis by a Risk Management Analytical Group, which consists of three professionals who dedicate 100% of their time to the area of risk management. The team analyses portfolio data using a combination of in-house risk systems and external vendor-type software.

The Investment Manager's risk management team has developed a risk management methodology that is used to focus on preservation of capital and portfolio diversification. Comprehensive scenario analysis and stress testing is conducted, producing reports which are reviewed regularly.

1.6 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. General

The Sub-Fund's assets will be predominantly invested in equity and debt securities listed on a Regulated Market, either directly or through financial derivative instruments including (but not limited to) OTC swap transactions on an arm's length basis with counterparties approved by the Board of Directors, options, forward contracts and futures.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Funds' assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 150% to 400% of the Sub-Fund's NAV. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 50% to 200% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 240% of its Net Asset Value and will not exceed 350% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

3. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to a basket of transferable securities and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their investment.

In addition to the information set forth in this section 4, investors should carefully review the "Risk Factors" in Section 8 of the Prospectus, more specifically section 8.2 "Market Risks", section 8.5 "Use of Derivatives" and section 8.16 "Conflicts of Interest and Resolution of Conflict" of the Prospectus, prior to investing in the Sub-Fund.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. The Sub-Fund's internal limit for investment in distressed securities is set at 20% of the Sub-Fund's NAV. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

Resolution of Conflicts

In the course of its business, the Investment Manager has potential conflicts of interest with the Company and the Sub-Fund. In accordance with applicable rules and regulatory requirements, the Investment Manager has effective organisational and administrative arrangements in place with a view to taking all reasonable steps to identify, monitor and manage conflicts of interest. The Investment Manager will have regard to its duties to the Sub-Fund when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, the Investment Manager shall use reasonable endeavours to resolve, in a fair manner, any such conflicts of interest fairly (having regard to its obligations and duties) so that the Sub-Fund is fairly treated.

4. Base Currency

The Base Currency of the Sub-Fund is the USD.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

6. Dealing Day

The Dealing Day of the Sub-Fund will be each Valuation Day which is a Wednesday, provided that in any case where such Dealing Day would fall on a day observed as a holiday, such Dealing Day shall then be the next Banking Day following such holiday. In addition, the Net Asset Value will be calculated on every Banking Day, for reporting and fee calculation purposes only.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day.

7. Launch Date

The Sub-Fund was launched on 30th March, 2011.

8. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an Investment Management Fee of up to 2.25% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee.

(ii) the Management Company will receive a Distribution Fee of up to 2.25% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, in regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the amount stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a Performance Fee of 20% of New Net Appreciation calculated by reference to each Share Class' High Water Mark. The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

The Performance Fee will be calculated in respect of each period of twelve months beginning on 1 January and ending on the following 31 December (a calculation Period).

The first Calculation Period ended on 31 December 2011. The Performance Fee will be calculated and accrued daily as an expense of the relevant Share Class and will be payable to the Investment Manager in arrears within 7 Banking days of the end of each Calculation Period.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

(iv) the Management Company will receive an Administrative and Operating Fee equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

The Investment Manager has in the past, and may in the future, agree to rebate a portion of the Combined Investment Management and Distribution Fee paid by investors to investors or intermediaries that invest more than certain threshold amounts. Any such rebate is tied solely to the size of an investor's commitment to the Sub-Fund and is available to any investor that maintains the required minimum investment. Additional information is available from the Investment Manager and/or the Global Distributor.

9. Investment Manager

The Sub-Fund will be managed by OZ Management LP (the **Investment Manager**). The Investment Manager is registered as an investment adviser with the SEC and is also registered with the CFTC as a commodity pool operator and commodity trading advisor and is a member of the U.S. National Futures Association. Och-Ziff Management Europe Limited, a wholly owned subsidiary of the Investment Manager and an entity authorized and regulated by the U.K. Financial Conduct Authority, will be appointed by the Investment Manager to act as sub-manager (the **Sub-Manager**) to the Sub-Fund. In this regard, the Sub-Manager will manage the day-to-day investment activities of the Sub-Fund, subject to the supervision and ultimate control of the Investment Manager. All references to the "Investment Manager" in this Supplement shall be deemed to include the Sub-Manager to the extent appropriate.

The Investment Manager manages approximately $27.2 billion in assets as of November 1, 2010, with over 400 employees worldwide. The Investment Manager has a global presence, with offices in New York, London, Hong Kong, Mumbai and Beijing. Where appropriate and necessary, the Investment Manager and the Sub-Manager may involve one or more of their foreign affiliates in analyzing a specific investment, for example a cross-border merger arbitrage opportunity. However, the ability to make investment decisions is vested solely in the Sub-Manager, subject to the supervision and ultimate control of the Investment Manager.

10. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table at the end of the Supplement.

Summary of Shares

Class	B	C	Y	Z	Management
Type	Institutional	Retail	Retail	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available only to: (a) sub-distributors which have established an investment advisory relationship in writing with their clients, in return for a fee; or to (b) discretionary portfolio managers which have established an investment discretionary relationship in writing with their clients in return for a fee	Available to appointed distributors only	Available only to the employee of the Investment Manager or an immediate family member of such management employee who shall remain at all time the ultimate beneficial owners of the Shares in the Sub-Fund
Initial Subscription Price	€100 (€500 for B2) or $100 or £100 or CHF100	€100 or $100 or £100 or CHF100	€100 or $100 or £100 or CHF100	€100 or £100 or $100	$100
Combined Investment Management and Distribution Fee	1.5% p.a.	2.25% p.a.	1.5% p.a.	1.5% p.a.	None
Performance Fee	20% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	None
Benchmark	None	None	None	None	None
Sales charge	None	Up to 5%	Up to 5%	Up to 5%	None
Redemption charge	None	None	0%	None	None
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

SEVENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH WNT DIVERSIFIED FUTURES UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH WNT DIVERSIFIED FUTURES UCITS FUND (the "**Sub-Fund**").

1. Investment Objective & Policy

1.1 Investment Objective

The Sub-Fund's investment objective is to achieve long term investment growth.

The Sub-Fund will be managed by Winton Capital Management Ltd. (the "**Investment Manager**").

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Policy

The Sub-Fund will seek to achieve its investment objective by pursuing a systematic, quantitative, investment strategy that trades a diversified portfolio (the "**Winton Diversified Program**") employed by the Investment Manager, as described below.

In addition, the Management Company will seek to manage surplus cash ("**Cash Investments**") held by the Sub-Fund with the objective of maintaining a high level of liquidity whilst preserving the capital of the Cash Investments.

Examples of Cash Investments which the Management Company may select include but are not limited to:

- investment in a reverse repurchase agreement under which the Sub-Fund acting as buyer will purchase securities from a First Class Institution with the obligation to repurchase such securities at a date and price agreed between the parties. Such securities will comply with the limits laid down in section 6.10 of the Prospectus;
- investment in a portfolio of transferable securities and/or collective investment undertakings in accordance with the investment restrictions laid down in section 6 of the Prospectus, the Law of 17 December 2010 and all applicable laws and regulations; and
- on occasions, an additional investment in an OTC Derivative, being a total return swap, over the above portfolio, and under which the return of the portfolio will be swapped for floating rate interest flows.

Some of the Sub-Fund's assets may be held on an ancillary basis in liquid assets in order to facilitate potential redemption requests and/ or daily expenses

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

Winton Diversified Program

The program may invest globally long and short, using leverage in a diversified range of liquid investments including exchange traded futures and forwards, currency forwards traded over the counter, equity securities (including common stocks, depositary receipts), derivatives linked to such securities (including swaps and equity index futures) and other related instruments.

Any short sales for the Sub-Fund will be achieved via the use of derivatives instruments. Derivative instruments may be exchange-traded or over-the-counter.

1.3 Investment System

The Investment Manager follows a disciplined investment process that is based on statistical analysis of past data. The initial stage of the process involves collecting, cleaning and organizing large amounts of data. The Investment Manager uses a wide variety of data inputs including factors that are intrinsic to markets, such as price, volume and open interest; and those that are external to markets, such as economic statistics, industrial and commodity data and public company financial data.

The Investment Manager conducts statistical research into the data in an attempt to quantify the probability of particular markets rising or falling, conditional on a variety of quantifiable factors. The research is used to develop mathematical models that attempt to forecast market returns, the variability or volatility associated with such returns (often described as "risk"), correlation between markets and transaction costs. These forecasts are used in the Winton Diversified Program to determine what positions should be held to maximize profit within a certain range of risk. As a result of the Investment Manager's research, it expects that the investments made in accordance with this process will have an improved chance of being successful, which is expected to lead to profits over the long-term.

The Winton Diversified Program is operated as part of an automated, proprietary, computer-based system. This system is modified over time as the Investment Manager monitors its operation and undertakes further research. Changes to the system occur as a result of, amongst other things, the discovery of new relationships, changes in market liquidity, the availability of new data or the reinterpretation of existing data.

The Winton Diversified Program primarily uses derivatives to meet its investment objective. As such the level of leverage may be high. Below is a list of products which may be traded in the Sub-Fund:

- Interest rate futures: These are used to gain exposure to interest rate movements;
- Equity index futures: These are used to obtain equity market exposure as indicated by the trading system and they include various global index futures;
- Currency futures: These are used to gain exposure to certain currencies;
- Bond futures;
- FX forwards: The purpose of entering into FX forwards is to achieve exposure to certain currencies;
- Equities and derivatives on them.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund and may, as the case may be, give instructions at any time to the Investment Manager with a view to complying with the investment restrictions laid down in section 6 of the Prospectus. The unit of the Management Company responsible for the risk management of the Company is independent from the units or entities responsible for the management of the Sub-Fund. For further information on risk management, investors should refer to section 11.6 of the Prospectus "Risk Manager".

In addition to the risk management performed by the Management Company, risk management forms an integral part of the investment process of the Investment Manager. The primary risk management measures are built into the portfolio construction process.

3. Risk Profile and Risk Factors

An investment in the Sub-Fund is designated to be a medium to long term investment. Investors should not expect to obtain short-term gains from such investment. The Sub-Fund is suitable for investors who can afford to set aside the capital for the medium to long term and who seek a medium to high investment risk. In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure.

There are two methods of calculating the leverage of a Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

One of the key components of the leverage of the portfolio calculated using the two methodologies defined above is short term interest rate derivatives. Short term interest rate derivatives have extremely low duration and therefore low volatility. In order to ensure that the portfolio achieves its target risk/return when investing in short term interest rate derivatives, the portfolio may invest in large notionals of these products. Despite the larger exposures in financial derivative instruments, the volatility target model regulates the risks the portfolio employs to create returns. As volatility increases, the investment system (as described above) will reduce leverage in order to maintain the sought volatility target.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 600% to 4000% of the Sub-Fund's Net Asset Value. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 600% to 4000% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 40% of its Net Asset Value and will not exceed 70% of its Net Asset Value. In certain circumstances, these proportions may be higher.

The Sub-Fund's exposure to Repurchase Transactions is expected to represent 80% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

4. Specific Risk Warnings

The value of the Sub-Fund's assets is linked to the performance of a basket of transferable securities and derivatives the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment.

Although the notional amounts of the short term interest rate futures transactions that make up the Winton Diversified Program will be large in absolute terms (because such transactions have a short duration so that they are significantly less sensitive to movements in interest rates than longer term transactions), the diversification and risk limitation within the Winton Diversified Program are designed to ensure that no single component of the Winton Diversified Program will unduly influence its performance. In the Investment Manager's view, the Sub-Fund does not employ excessive risk via leverage to create returns, it being understood however that the value of the respective Share Class may rise or fall in value more quickly than if there was no leverage. The leverage is a function of the use of short term interest rate futures transactions that make up the Winton Diversified Program.

In addition to the specific risk warnings listed above, investors should refer to the "Risk Factors" in section 8 of the Prospectus in particular, 8.1.13 Model Risk

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

7. Valuation Day

The Valuation Day of the Sub-Fund will be each Banking Day which is a Wednesday, provided that in any case where such Valuation Day would fall on a day observed as a holiday, such Valuation Day shall then be the next Banking Day following such holiday.

"Banking **Day**" in respect of this Sub-Fund means a Banking Day and any day on which banks are open for business in the United States.

8. Dealing Day

The Dealing Day of the Sub-Fund will be each Valuation Day. In addition, the Net Asset Value is calculated on every Banking Day, for fee calculation purposes.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day.

9. Launch Date

The Sub-Fund was launched on 23 October 2013.

10. Subscription and Redemption Procedure

The Dealing Deadline is 5:00 p.m. London time on the Banking Day falling one Banking Day prior to the relevant Dealing Day. Subscription and Redemption requests received after this deadline shall be calculated on the basis of the Net Asset Value per Share for the relevant Class of Shares as of that next following Dealing Day.

11. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager, will receive an Investment Management Fee of up to 2.1% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee.

(ii) the Management Company will receive a **Distribution Fee** of up to 2.1% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, in regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager, will receive a **Performance Fee** of 20% of New Net Appreciation calculated by reference to each Share Class' High Water Mark. The Performance Fee will be calculated in respect of each period of three months beginning one day after the Initial Offer Period and ending the following calendar quarter end and ending each calendar quarter end thereafter (a "**Calculation Period**"). The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

(iv) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

12. Investment Manager

The Sub-Fund will be managed by Winton Capital Management Limited ("**Winton**"), a limited liability company incorporated in England and Wales. Winton is authorised and regulated by the Financial Conduct Authority in the UK. Winton is also registered as an investment adviser with the United States Securities and Exchange Commission ("**SEC**"), registered with the Commodity Futures Trading Commission ("**CFTC**") and is a member of the National Futures Association ("**NFA**") in the United States.

13. Shares

Share Classes are as described in the Summary of Shares table below.

A Share Class which is denominated in a currency which is not the Base Currency of the Sub-Fund will aim to hedge the currency exposure of such Share Class.

MLI may act as a market maker in respect of the Shares as per the terms of section 8.16 of the Prospectus.

Summary of Shares

Class	B	C	D	Z	Management
Type	Institutional	Retail	Institutional	Retail	Retail
Availability	Available to all Institutional Investors	Available to appointed sub-distributors only	Only available to Institutional Investors with a minimum investment size of EUR 50mm or USD 50mm or GBP 50mm.	Available to appointed sub-distributors only	Closed to new investment. Only available to the Investment Manager and affiliated entities.
Minimum Initial Subscription Amount	N/A	€10,000 or €10,000 or $10,000 or £10,000		$10,000 or £10,000	
Combined Investment Management and Distribution Fee	Up to 1.35% p.a.	Up to 2.10% p.a.	Up to 1.30% p.a.	Up to 1.35% p.a.	0 % p.a.
Performance Fee	Up to 20% of New Net Appreciation	Up to 20% of New Net Appreciation	Up to 20% of New Net Appreciation	Up to 20% of New Net Appreciation	0% of New Net Appreciation
Benchmark	None	None	None	None	None
Sales charge	None	Up to 5%	None	Up to 5%	None
Redemption charge	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

EIGTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH ENHANCED EQUITY VOLATILITY PREMIUM FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH ENHANCED EQUITY VOLATILITY PREMIUM FUND (the "**Sub-Fund**").

This Sub-Fund is a Merrill Lynch Sub-Fund as defined in the Prospectus.

1. Investment Objective, Policy and Strategy

1.1 Investment Objective

The Sub-Fund's investment objective is to achieve capital appreciation from capturing relative value between the implied and realized volatility of the EURO STOXX 50 Index whilst maintaining low volatility of returns as well as limited correlation to the equity markets.

The Investment Manager will seek investment advice from Union Investment Institutional GmbH (the "**Investment Advisor**") in connection with the implementation of the investment objective of the Sub-Fund. Such advice will relate to advising on suggested strike price of a set of European-style call and put options on the EURO STOXX 50 Index within pre-defined strikes range. Whilst the Investment Advisor will advise the Investment Manager on such matters, the Investment Manager ultimately retains authority for the investments of the Sub-Fund. The Investment Manager will make investment decisions in accordance with the investment objective and strategy of the Sub-Fund.

Further information about the Investment Advisor can be found at Section 13 below.

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Policy and Investment Strategy

To achieve its investment objective, the Sub-Fund will implement the Enhanced Volatility Premium Strategy, a proprietary, systematic and quantitative strategy developed by Merrill Lynch International ("**MLI**") (the "**Strategy**"). The Strategy is a "Reference Asset" as defined in the Prospectus.

In certain pre-defined conditions, the Strategy will not use formulaically determined parameter values but input from the Investment Advisor on the basis of its proprietary research and models. Such pre-defined conditions rely on parameters calculated in respect of the EURO STOXX 50 Index and the EURO STOXX 50 Volatility Index.

To achieve its investment objective, the Sub-Fund will implement this Strategy by primarily entering into over-the-counter put and call options with a First Class Institution as further described below. For this purpose, the Investment Manager will appoint MLI as executing broker (the "**Executing Broker**") who will be in charge of executing the option transactions on behalf of the Investment Manager in accordance with the Company's best execution policy.

In addition, the Sub-Fund aims to generate a money market return from entering into collateral investments (each a "**Collateral Investment**" and, collectively, the "**Collateral Investments**") in order to generate the collateral yield.

The Investment Manager will determine which form of Collateral Investment is most appropriate. Examples of Collateral Investments which the Investment Manager may select include but are not limited to:

- investment in a reverse repurchase agreement under which the Sub-Fund acting as buyer will purchase securities from a First Class Institution such as MLI acting as seller with the obligation for the First Class Institution to repurchase such securities at a date and price agreed between the parties when entering into the reverse repurchase agreement. Such securities will comply with the limits laid down in section 6.10 of the Prospectus;
- investment in a portfolio of transferable securities and/or collective investment undertakings in accordance with the investment restrictions laid down in section 6 of the Prospectus, the Law of 17 December 2010 and all applicable laws and regulations, together with investment in an OTC Derivative, being a Total Return Swap, over that portfolio, and under which the return of the portfolio will be swapped for floating rate interest flows.

Some of the Sub-Fund's assets may be held on an ancillary basis in liquid assets in order to facilitate potential redemption requests and/ or daily expenses.

The Sub-Fund will not invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings.

Description of the Strategy

Portfolio

The Strategy uses a dynamic portfolio of call and put options linked to the EURO STOXX 50 Index which is grouped into four sub-portfolios. Each sub-portfolio comprises a short European-style call option and a short European-style put spread. In addition, and subject to certain pre-defined conditions (as further described below under the "Long Call Conditions"), a fourth long position in a European-style call option may be comprised in a sub-portfolio. The inclusion of such long position aims to limit the portfolio losses in the event of significant increases of the EURO STOXX 50 Index and helps reducing the portfolio volatility when the EURO STOXX 50 Index experiences increased volatility. The parameter levels further explained under the "Long Call Conditions" below have been selected by MLI as predictors of such sudden rallies and volatile market conditions.

All options in a particular sub-portfolio have the same notional amount and same expiry date which falls 4 weeks after the day on which those options were traded.

The options in a sub-portfolio will be replaced upon their expiry every 4 weeks by trading a new set of options with 4 weeks expiry. The option expiries in the different sub-portfolios are scheduled in such way that a replacement date occurs each Thursday (or the first preceding Business Day if such date is not a Business Day) in relation to all options comprised in one of the four sub-portfolios (a "**Replacement Date**").

The terms of the call and put options replaced in the relevant sub-portfolio will be determined in accordance with the provisions described under the "**Portfolio Parameters**" provisions as set below.

For the avoidance of doubt

1. the options in the other three sub-portfolios that have not expired on a particular Replacement Date will not be replaced;
2. the trade dates and expiry dates of the options differ across the four sub-portfolios, but all options comprised in a particular sub-portfolio have the same trade date and expiry date;
3. a sub-portfolio comprises either three options (long put, short put and short call European-Style options) or, if certain conditions are fulfilled (as further described below under the "Long Call Conditions"), four options (long put, short put, short call and long call European-Style options);

4. the Strike level of each option comprised in one sub-portfolio will differ from the Strike levels of the comparable options in the other sub-portfolios. This is due to two factors. Firstly, such Strike levels are determined by reference to the closing level of the EURO STOXX 50 Index on the applicable trade date. As the closing levels of the EURO STOXX 50 Index are expected to differ between relevant trade dates, the Strike levels of comparable options in different sub-portfolios are consequently expected to differ, too. Secondly, the levels of the short put and the short call options in a particular sub-portfolio are either determined by reference to a proprietary formula linked to the level of the EURO STOXX 50 Volatility Index or, provided certain conditions are met, will be determined by the Investment Advisor. As both the closing levels of the EURO STOXX 50 Volatility Index and any determinations of the Investment Advisor are expected to differ between relevant trade dates, the Strike levels of comparable options in different sub-portfolios are consequently expected to differ, too.

Portfolio Parameters

On each Replacement Date, and subject to any other determinations provided by the Investment Advisor in accordance with the provisions described under the "**Investment Advisor Determinations**" below, the new set of options within the relevant sub-portfolio shall be traded with a notional, strike percentage and other characteristics according to the following table:

Option	Option Notional [% of NAV]	Long /Short	Type	Strike [% of Spot]
(i)	37.5%	Long	Put	Strike 1
(ii)	37.5%	Short	Put	Strike 2
(iii)	37.5%	Short	Call	Strike 3

Where:

"**Long**" means the Executing Broker, on behalf of the Investment Manager, buys such option;

"**Short**" means the Executing Broker, on behalf of the Investment Manager, sells such option;

"**Put**" means an over-the-counter put option on the EURO STOXX 50 Index with European-style exercise and cash settlement;

"**Call**" means an over-the-counter call option on the EURO STOXX 50 Index with European-style exercise and cash settlement;

"**Strike 1**" means 86%;

"**Strike 2**" means a percentage between 91% and 96% determined either in accordance with a proprietary formula comprised in the Strategy or determined by the Investment Advisor in accordance with the provisions described under the "**Investment Advisor Determinations**" below; and

"**Strike 3**" means a percentage between 104% and 107% determined either in accordance with a proprietary formula comprised in the Strategy or determined by the Investment Advisor in accordance with the provisions described under the "Investment Advisor Determinations" below.

Notwithstanding the foregoing, if any one of the conditions described under the "**Long Call Conditions**" provisions below is fulfilled as of a relevant Replacement Date, then the relevant sub-portfolio shall include a fourth option with the following characteristics:

Option	Option Notional [% of NAV]	Long /Short	Type	Strike [% of Spot]
(iv)	37.5%	Long	Call	Strike III + 8%

Where "**Strike III**" means the level of Strike 3 (as defined above) determined in accordance with a proprietary formula comprised in the Strategy (i.e. not taking into account any different level of Strike 3 determined by the Investment Advisor in accordance with the provisions under the "Investment Advisor Determinations" below).

Long Call Conditions are as follows:

– the level of the VSTOXX Index on the first Index Business Day prior to the relevant Replacement Date is greater than 46; or
– the minimum of the Daily Changes (as defined below) of the VSTOXX Index in the period of 5 consecutive Index Business Days ending on the Index Business Day prior to the relevant Replacement Date was less than -5%; or
– the Five-Day Change (as defined below) of the EURO STOXX 50 Index over a period of 5 consecutive Index Business Days ending on the Index Business Day prior to the relevant Replacement Date was either a) less than -5% or b) greater than +5%.

Where:

"**Daily Change**" means in relation to a given Index Valuation Date, the closing level of the VSTOXX Index at such date deducted by the closing level of the VSTOXX Index on the first preceding Index Business Day and such difference being divided by the closing level of the VSTOXX Index on the first preceding Index Business Day.

"**Five-Day Change**" means in relation to a given Index Valuation Date, the closing level of the EURO STOXX 50 Index at such date deducted by closing level of the EURO STOXX 50 on the fifth preceding Index Business Day and such difference being divided by the closing level of the EURO STOXX 50 Index on the fifth preceding Index Business Day.

"**Index Business Day**" means any days which are index business days in respect of the EURO STOXX 50 Index and the VSTOXX Index, as defined in the relevant index rules provided by the index sponsor.

"**Index Valuation Date**" means a day in relation to which the sponsor of the relevant index publishes the official index level.

"**VSTOXX Index**" means the EURO STOXX 50 Volatility Index which measures the implied volatility of options with a rolling 30 day expiry.

Investment Advisor Determinations

Subject to the conditions below being fulfilled in respect to a particular sub-portfolio, the Investment Manager shall use levels for Strike 2 and Strike 3 determined by the Investment Advisor in accordance with the Investment Advisor's proprietary research and models for the call and put options:

(A) the Investment Advisor has validly notified the Investment Manager; and

(B) the Strike notified by the Investment Advisor is between:

(i) 91% to 96% (inclusive) in respect of option (ii); and

(ii) 104% to 107% (inclusive) in respect of option (iii); and

(C) either of the following conditions have been satisfied:

(i) the closing level of the VSTOXX Index (as defined above) on the Index Business Day immediately prior to the relevant Replacement Date is above 46; or

(ii) the minimum of the Daily Changes (as defined above) of the VSTOXX Index in the period of 5 consecutive Index Business Days ending on the Index Business Day prior to the relevant Replacement Date was less than -5%; or

(iii) the Five-Day Change (as defined above) of the EURO STOXX 50 Index over a period of 5 consecutive Index Business Days ending on the Index Business Day prior to the relevant replacement date was either a) less than -5% or b) greater than +5%.

In the event that the EURO STOXX 50 Index and/or the VSTOXX Index:

- cease to exist; or
- are modified by the relevant index sponsor with the consequence of adversely affecting the implementation and/or performance of the Strategy, the Investment Manager, in consultation with the Investment Advisor, shall endeavour to identify suitable replacement index or indices and any modification of the Strategy which this may entail. The Board of Directors shall then decide whether to implement such replacement and/or modification or not. The Board of Directors may decide to close the Sub-Fund following the occurrence of such events and Shares may be automatically redeemed at the relevant NAV.

2. Market Disruption Event

The occurrence of a Market Disruption Event may result in a suspension of valuations and issue and redemption and conversion of Shares in accordance with section 16 “Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares” of the Prospectus.

3. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund. The unit of the Management Company responsible for the risk management of the Company is independent from the units or entities responsible for the management of the Sub-Fund. For further information on risk management, investors should refer to section 11.6 of the Prospectus “Risk Manager”.

4. Risk Profile

An investment in the Sub-Fund is designated to be a medium to long term investment. Investors should not expect to obtain short-term gains from such investment. The Sub-Fund is suitable for investors who can afford to set aside the capital for the medium to long term and who seek a medium investment risk.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of a Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund’s assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 300% to 600% of the Sub-Fund's NAV. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 0% to 30% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may however possibly be higher.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 100% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

The Sub-Fund's exposure to Repurchase Transactions is expected to represent 95% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

5. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to a basket of derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. In addition to the specific risk warnings listed below, investors should refer to the "Risk Factors" in section 8 of the Prospectus, in particular sections 8.4.1 "Volatility Trading", 8.4.2 "Relative Value/Arbitrage Strategies" and 8.5.8 "Merrill Lynch Sub-Funds linked to a Reference Asset through OTC Derivatives".

Market Up Scenario

Investors should note that the Sub-Fund may be exposed to upside market risk in scenarios where the EURO STOXX 50 Index shows strong positive performance and may therefore experience a significant loss.

Credit Risk

Investors should note that the entering by the Sub-Fund into the OTC transactions with MLI involves a counterparty risk. This risk is however limited to 5% of the net assets of the Sub-Fund in accordance with section 6.2.3 of the Prospectus. This exposes the Sub-Fund to the credit-risk of MLI acting as the Sub-Fund's counterparty under the OTC Transactions and its ability to satisfy the terms of such OTC transactions and therefore the Sub-Fund may suffer a loss and such positions may be terminated. The Board of Directors may then decide to close the Sub-Fund or to enter into similar OTC transactions with an alternative First Class Institution recommended by the Investment Manager. If the Investment Manager cannot identify an alternative First Class Institution for this purpose, the Board of Directors may decide to close the Sub-Fund.

Conflict of Interest

MLI has been appointed by the Company to act as Executing Broker of the Sub-Fund. MLI and its affiliates may perform further or alternative roles to the Sub-Fund (such as investment management, OTC transaction or Collateral Investments counterparty) and this may raise conflict of interests as further described in section 8.16 of the Prospectus.

6. Base Currency

The Base Currency of the Sub-Fund is the EUR.

7. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the “mixed UCIs” type.

8. Valuation Day

The Valuation Day of the Sub-Fund will be each Banking Day.

For the purposes of this Sub-Fund, Banking Day means Luxembourg, London and United States.

9. Dealing Day

The Dealing Day of the Sub-Fund will be each Banking Day.

For the purposes of this Sub-Fund, Banking Day means Luxembourg, London and United States.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day.

10. Launch Date

The Sub-Fund was launched on 27 November 2013.

11. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the Summary of Shares table below. The fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Management Company, in its capacity as Investment Manager, will receive an **Investment Management Fee** of (i) up to 0.30% per annum of the Net Asset Value of Class A Shares (as specified in the Summary of Shares table below) or (ii) up to 0.70% per annum of the Net Asset Value of Class B Shares (as specified in the Summary of Shares table below). With respect to Class B Shares only, the Investment Manager will pay of portion of its fees to the Investment Advisor in consideration of its services. The Investment Management Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and will be paid monthly in arrears.

(ii) the Executing Broker will receive an **Executing Broker Fee** of 0.02% on the notional amount of option (i) (as defined above) in consideration of all the options traded as of a particular date. Such fees are expected to total around 0.39% of Sub-Fund’s assets under management on an annualized basis. Such portfolio transaction costs of the Sub-Fund's Investment Strategy are a material component of its performance.

(iii) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the Summary of Shares table below) of the Net Asset Value of the relevant Share Class in the same manner as for the calculation of the Investment Management Fee.

12. Investment Manager

The Sub-Fund is managed by the Management Company.

13. Investment Advisor

The Investment Manager has appointed Union Investment Institutional GmbH as Investment Advisor to provide investment advice with respect to the Sub-Fund.

Union Investment Institutional GmbH, a company incorporated under the laws of Germany, authorised as investment manager by the Federal Financial Supervisory Authority (BaFin). Union Investment Institutional GmbH offers its asset management expertise to institutional investors to advise them on investment recommendations.

14. Shares

The Share Classes are described in the Summary of Shares table below.

Summary of Shares

Class	A	B
Type	Institutional	Institutional
Availability	Only available to Institutional Investors designated by the Investment Advisor	Available to all Institutional Investors
Minimum Initial Subscription Amount	EUR 1,000,000	EUR 1,000,000
Investment Management Fee	0.30% p.a.	0.70% p.a.
Performance Fee	None	None
Sales charge	None	None
Subscription and Redemption charges	None	None
Administrative and Operating Fee	0.30% p.a.	0.30% p.a.

NINTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH MLCX COMMODITY ENHANCED BETA FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH MLCX COMMODITY ENHANCED BETA FUND (the "**Sub-Fund**").

This Sub-Fund is a Merrill Lynch Sub-Fund as defined in the Prospectus.

1. Investment Objectives and Strategies

The investment objective of the Sub-Fund is to provide investors with exposure to the Reference Asset, the Merrill Lynch Commodity Index eXtraSM 03 (the "**MLCX**" or "**Index**"), the performance of which may be positive or negative.

To achieve its investment objective, the Sub-Fund will primarily:

- enter into one or more financing transactions (each a "**Financing Transaction**") in order to generate interest rate flows; and
- swap such floating interest rate flows with a First Class Institution, such as MLI, acting as OTC Derivative counterparty, in return for exposure to the Reference Asset.

The Investment Manager will use its discretion to determine which form of Financing Transaction is most appropriate. Examples of Financing Transactions which the Investment Manager may select include but are not limited to:

- Investment in a reverse repurchase agreement under which the Sub-Fund acting as buyer will purchase securities from a First Class Institution such as MLI acting as seller with the obligation for the First Class Institution to repurchase such securities at a date and price agreed between the parties when entering into the reverse repurchase agreement. Such securities will comply with the limits laid down in section 6.10.2 of the Prospectus.
- Investment in a portfolio of transferable securities and/or collective investment undertakings in accordance with the investment restrictions laid down in section 6 of the Prospectus, the Law of 17 December 2010, and all applicable laws and regulations, together with investment in an OTC Derivative, being a Total Return Swap, over that portfolio, and under which the return of the portfolio will be swapped for floating rate interest flows.

Some of the Sub-Fund's Assets may be held on an ancillary basis in liquid assets in order to facilitate potential redemption requests (the "**Cash Balance**").

The Sub-Fund's Assets will be valued on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund.

When applying the limits specified in section 6.2.3 of the Prospectus, reference should be made to the net counterparty risk exposure. Thus, the Company will reduce the gross counterparty risk of the Sub-Fund's OTC Derivatives by implementing the collateral policy as described under section 7.1 of the Prospectus.

The Sub-Fund will not invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings.

2. Index Description

This section is a brief overview of the Index. A detailed description of the Index including the methodology for its calculation, and the composition thereof is available upon request from the registered office of the Distributor and also publicly accessible at: http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/MLCX Handbook Dec 2015.pdf.

The Index is intended to reflect the performance of a basket of commodities (each an "**Index Commodity**") from the following six (6) broad sectors: Energy, Base Metals, Precious Metals, Grains & Oilseeds, Soft Commodities and Livestock (each a "**Commodity Sector**"). The table below outlines the monthly target weights of the Index Commodities for the year of 2014:

Commodity Sector	**Index Commodity**	**Ticker**	**Commodity Exchange**	**Monthly target weights for 2014**
Energy				**35.00%**
	Brent Crude Oil	CO	ICE Futures Europe	16.91%
	WTI Crude Oil	CL	New York Mercantile Exchange	2.76%
	Gasoil	QS	ICE Futures Europe	7.17%
	Gasoline (RBOB)	XB	New York Mercantile Exchange	7.07%
	Natural Gas	NG	New York Mercantile Exchange	1.09%
Base Metals				**18.80%**
	Copper	LP	London Metals Exchange	10.04%
	Aluminium	LA	London Metals Exchange	5.47%
	Nickel	LN	London Metals Exchange	1.64%
	Zinc	LX	London Metals Exchange	1.65%
Precious Metals				**10.58%**
	Gold	GC	COMEX	9.11%
	Silver	SI	COMEX	1.47%
Grains and Oilseeds				**20.00%**
	Wheat	W	Chicago Mercantile Exchange	7.46%
	Corn	C	Chicago Mercantile Exchange	8.16%
	Soybean	S	Chicago Mercantile Exchange	1.72%
	Soybean Meal	BO	Chicago Mercantile Exchange	2.66%
Soft Commodities				**9.53%**
	Sugar	SB	ICE Futures US	4.68%
	Cotton	CT	ICE Futures US	2.98%
	Coffee	KC	ICE Futures US	1.87%
Livestock				**6.09%**
	Live Cattle	LC	Chicago Board of Trade	4.13%
	Lean Hogs	LH	Chicago Board of Trade	1.96%

The Index is rebalanced annually. The rebalancing of the Index has no effect on the costs within the strategy. Further details of the Index, its components and their weighting, their calculation and rebalancing methodology and their performance can be accessed at

http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/MLCX Handbook Dec 2015.pdf.

For further details on the factors which may limit the ability of the Sub-Fund to track the performance of the Index, investors should read the risk warning headed "**Index Tracking Risk**" in the "**Specific Risk Warnings**" section of this Supplement.

Optimised Roll Schedule

The Index Commodities are represented by future contracts (the "**Index Components**"). When the futures contracts expire, they need to be replaced by new futures contracts according to a transparent and static schedule ("**Roll Schedule**"). Bank of America Merrill Lynch Global Commodities Research fundamental and quantitative analysis has determined that, provided there is sufficient liquidity, rolling Index Commodities future contracts further out on the forward curve enhances the returns generated by the roll, and that for most commodities, the optimum roll is approximately three (3) months further out along the curve. The analysis also determines that, in addition to enhancing the roll return, rolling Index Commodities future contracts further out reduces the Index volatility. As a result, the Index applies a third to fourth month rolling schedule for all the Index Commodities with the exception of a) Natural Gas and b) Wheat, Corn, Soybeans, Sugar, Coffee (the "**Optimised Roll Schedule**").

For Natural Gas, given the recurrent seasonality due to consumption and production cycles, Bank of America Merrill Lynch Global Commodities Research created an unseasonal natural gas roll mechanism (the "**Unseasonal Natural Gas Roll Schedule**") which aims at capturing and taking advantage of this fundamental trend by rolling the Natural Gas future contracts twice a year according to a transparent and rule-based schedule.

For Wheat, Corn, Soybeans, Sugar and Coffee, Bank of America Merrill Lynch Global Commodities Research created its agriculture annual roll mechanism (the "**Agriculture Annual Roll Schedule**") which aims at monetising each particular seeding and harvest periods. As a result and taking into account the dynamics of each Index Commodity crop, the Agriculture Annual Roll Schedule is performed for each relevant Index Commodity crop by rolling the relevant specific contract once a year.

Roll and Reset Window

The roll and/or reset of futures contracts as per the Optimised Roll Schedule is implemented over a period of fifteen (15) business days (the "**Roll Window**") beginning on the first business day and ending on the fifteenth business day of the relevant calendar month in which the roll occurs.

Determination of Index Commodities Weights

The weight of each Index Commodity ("**Index Commodity Weight**") is determined in a rule based and transparent manner on the basis of the global production value of each Index Commodity, which is a measure that is designed to provide a non-biased reflection of the relative economic importance of each such commodity in the global economy. The global production value will be calculated in US Dollars as the annual average of the three most recent available years of global production data with respect to all Index Commodities, expressed in the same units as the specifications of its associated futures contract multiplied by the average of the reference price of the front-dated such futures over the preceding one year period from 1 July to 30 June. As certain commodities tend to exceptionally overweight all other commodities in term of volume trading in the commodity market, this may justify an allocation of up to 35% to such particular component in the Index in order to reflect accurately the commodity market.

Index Commodities Weights: Rebalancing Mechanism

The weights are determined yearly for each calendar year based on the closing prices of the futures reflected in the Index on the last Banking Day of December in the previous year.

Index Commodities Weights: Resetting Mechanism

In order to reduce any material fluctuations, a resetting process is then repeated throughout every month of the year, based on prices on the last business day of the preceding month.

Thus, on a monthly basis and semi-continuously during the 15-day Roll and Reset Window of the index, the Index Sponsor will reset towards the Monthly Target Weights for the current year (the "**Reset Mechanism**").

3. Index **Calculation**

The daily Index closing value of the Total Return Index (TR) will be determined as:

$$TR_t = TR_{t-1}\left(1 + DCR_t + IRR_t\right)\prod_{t-1<\tau<t}\left(1 + IRR_\tau\right)$$

Where:

DCRt is the Daily Commodity Return, which represents the return of a portfolio of commodity futures from t to t-1.

IRRt is the daily return on calendar day t of the Treasury Bill Rate issuing a 360 day per year convention and a period of 91 days.

Treasury Bill Rate is the 91-day auction high rate for U.S. Treasury Bills, as reported by Bloomberg on the most recent of the weekly action dates prior to the calendar day t.

$$TR_{t_0} = 100.$$

The daily Index closing value is calculated in US Dollars on a total return, before costs basis and as such is affected, inter alia, by the following factors:

- the changes in the price of the futures contracts included in the Index, and
- the cash returns represented by the 91 days US treasury bills.

The Index Sponsor and index publisher is MLPF&S (the "**Index Publisher**"). The daily closing Index value is published on Bloomberg page MLCX03ER.

The list of the MLCX contracts contained in the Index and their weights is updated on a regular basis and is available upon request at the registered office of the Distributor and can be accessed at http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/ML CX Handbook Dec 2015.pdf. It is also published in the annual and semi-annual reports.

In the event that:

- the Index Publisher or any duly appointed successor ceases to calculate the Index; or
- the Index is suspended other than on a temporary basis; or
- the Index Publisher or any duly appointed successor modifies or makes a material change in the method of calculating the Index; or
- the Index Publisher or any duly appointed successor fails to calculate or announce the Index other than on a temporary basis,

then the Board of Directors may decide to close the Sub-Fund or the Index may be replaced by a successor index (subject to the prior approval of the CSSF), using in the determination of the Investment Manager, the same or substantially similar method of calculation as used in the calculation of the Index and having a similar composition. In such case the OTC swap transactions will be terminated in accordance with market convention and new OTC swap transactions linked to the successor index will be entered into with MLI or any other First Class Institution acceptable to the Investment Manager at then prevailing market conditions. The positive performance (if any) of the Index under the OTC swap transactions to be terminated will be paid upon such termination to the Sub-Fund. This Supplement will be updated if the Index is replaced.

Fees embedded at the swap or index level (if any) are as described in the Summary of Shares table below.

Information on the level of the Tracking Error experienced by the Sub-Fund will be contained in the most recent financial statements published by the Company. It is currently anticipated that, under normal market conditions, the Tracking Error of the Sub-Fund will be within approximately 1 to 2% annually.

4. Market Disruption Event

In addition to the Market Disruption Events described under section 1. "**Definitions**" of the Prospectus, a "**Market Disruption Event**" in respect of this Sub-Fund means the occurrence of one or more of the following events, as determined by the calculation agent of the OTC Derivative (the "**Calculation Agent**"):

- a material limitation, suspension, or disruption of trading in one or more Index Components which results in a failure by the exchange on which each applicable Index Component is traded to report an exchange published settlement price for such contract on the day on which such event occurs or any succeeding day on which it continues;
- the exchange published settlement price for any Index Component is a "**limit price**", which means that the exchange published settlement price for such contract for a day has increased or decreased from the previous day's exchange published settlement price by the maximum amount permitted under applicable exchange rules;
- failure by the applicable exchange or other price source to announce or publish the exchange published settlement price for any Index Component;
- a suspension of trading in one or more Index Components, for which the trading does not resume at least 10 minutes prior to the scheduled or rescheduled closing time; or
- any other event, if the Calculation Agent determines in its sole discretion that the event materially interferes with its ability to unwind or maintain all or a material portion of a hedge that it has effected or may effect as to the applicable OTC Derivative.

If the Investment Manager determines that there is a Market Disruption Event on Exchange Business Day (as defined below) (each an "**Index Reference Date**"), then the Index Reference Date shall be the first succeeding Exchange Business Day on which the Investment Manager determines that there is no Market Disruption Event, unless the Investment Manager determines that there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the determination by the Investment Manager of a Market Disruption Event, would have been the initial Index Reference Date. In that case:

- that fifth Exchange Business Day shall be deemed to be the Index Reference Date, notwithstanding the Market Disruption Event; and

- the Investment Manager shall determine the level of the Index on that fifth Exchange Business Day in accordance with the method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using its good faith estimate of the exchange-traded price as of the fifth Exchange Business Day of each Index Component.

If the calculation of the Index is temporarily suspended, then the Investment Manager shall determine the Index in accordance with the method of calculating the Index last in effect prior to the suspension, but using only those Index Components that comprised the Index immediately prior to the suspension (other than those securities that have since ceased to be listed on the exchange).

"**Exchange Business Day**" means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on any of the commodity exchanges other than a day on which trading on the relevant commodity exchange is scheduled to close prior to its regular weekday closing time.

As a consequence of the above, the Investment Manager will determine the appropriate adjustment, if any, to be made to the Sub-Fund such as without limitation, a change of the objectives and policies of the Sub-Fund and/or the Reference Asset and determine the effective date of that adjustment. Any change in the investment objective and any material change in investment policies will require the prior approval of the Board of Directors and of the CSSF, and triggers a prior notice period of thirty (30) days during which Shareholders have the right to request the redemption of their Shares free of any charges. The occurrence of a Market Disruption Event may result in a suspension of valuations and issue and redemption and conversion of Shares in accordance with section 16 "**Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares**".

5. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund. The unit of the Management Company responsible for the risk management of the Company is independent from the units or entities responsible for the management of the Sub-Fund. For further information on risk management, investors should refer to section 11.6 of the Prospectus "**Risk Manager**".

6. Risk Profile

An investment in the Sub-Fund is designated to be a medium to long term investment. Investors should not expect to obtain short-term gains from such investment. The Sub-Fund is suitable for investors who can afford to set aside the capital for the medium to long term and who seek a medium to high investment risk.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 100% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

The Sub-Fund's exposure to Repurchase Transactions is expected to represent 95% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

7. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to the Index, the performance of which may rise and fall. As the Index is comprised of commodity futures contracts selected across the Commodity Sectors including: Energy, Base Metals, Precious Metals, Grains & Oilseeds, Soft Commodities and Livestock, the value of the Shares of the Sub-Fund is subject to the normal fluctuations of the commodity markets. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors may very well lose the whole of their initial investment. The Sub-Fund will have to make a payment to its swap counterparty if the Index level on a reset date is less that the Index level at the start of a reset period, such payment being equivalent to the negative performance of the Index. This payment will be made from the proceeds received from selling a corresponding amount of the Sub-Fund's Assets.

The prices of futures contracts and underlying commodities are subject to a variety of market factors, and to rapid and unpredictable fluctuations, which could adversely affect the Net Asset Value of the Shares. The prices of commodity futures contracts are affected by a variety of factors, including weather, governmental programs and policies, national and international political and economic events, changes in interest and exchange rates, forces of supply and demand and trading activities in futures and commodities, including the activities of speculators in the relevant markets. Any of these factors, as well as others, could adversely affect the level of the Index and therefore the Net Asset Value of the Shares.

Suspensions or disruptions of trading in the futures markets could adversely affect the Net Asset Value of the Shares. The commodity futures markets are subject to temporary distortions or other disruptions due to various factors, including the possible lack of liquidity in the markets, the participation of speculators in the markets and government regulation and intervention. In addition, US futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuations in futures contract prices that may occur during a single trading day. These limits are generally referred to as "**daily price fluctuation limits**" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "**limit price**". Once the limit price has been reached in a particular contract, no trading can take place above or below that price, as the case may be. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the level of the Index and therefore the Net Asset Value of the Shares.

The Index is a rolling index; negative roll yields could adversely affect the performance of the Index. The Index is composed of commodity futures contracts. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts have a set expiration date and normally specify a certain date for delivery of the underlying physical commodity. In the case of the Index, as the exchange-traded futures contracts that comprise the Index approach the month before expiration, they are replaced by contracts that have a later expiration. This process is referred to as "**rolling**". If the market for these contracts is (putting aside other considerations) in "backwardation", where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the nearer delivery month contract would take place at a price that is higher than the price of the distant delivery month contract, thereby creating a positive "**roll yield**". There is no indication that these markets will consistently be in backwardation or that positive roll yield will contribute to the future performance of the Index. Instead, these markets may trade in "**contango**". Contango markets are those in which the prices of contracts with distant delivery months are higher than those involving nearer delivery months. Certain of the commodities included in the Index have historically traded in contango markets. Contango in the commodity markets would result in negative "**roll yields**" which would adversely affect the level of the Index.

The Index is concentrated in a limited number of Commodity Sectors. The Index is designed as a broad-based index of commodity market performance. The principles established with respect to the Index therefore prohibit any Commodity Sector from comprising more than 35% of the weight of the Index at any time, in order to promote the diversification of the Index. However, the Energy sector currently accounts for 35% of the Index and Base Metals account for 18.80%. Accordingly, a decline in value in such raw materials would adversely affect the performance of the Index.

Technological advances or the discovery of new oil reserves could lead to increases in worldwide production of oil and corresponding decreases in the price of crude oil. In addition, further development and commercial exploitation of alternative energy sources, including solar, wind or geothermal energy, could lessen the demand for crude oil products and result in lower prices. Absent amendment of the Index to lessen or eliminate the concentration of existing energy contracts in the Index or to broaden the Index to account for such developments, the level of the Index could decline.

The weighting of each commodity futures contract that will be used to calculate the closing level of the Index (which in turn will impact the Net Asset Value of the Shares) will not be equal. As a result, a percentage change in the market price for certain commodity futures contracts over its initial market price will have a greater impact on the closing level of the Index than will a similar percentage in the market price of other commodity futures.

Trading in the components of the Index by the Index Sponsor and any of its affiliates may affect the performance of the Index.

The Index Sponsor and any of its affiliates will, from time to time, actively trade in some or all of the components of the Index on a spot and forward basis and other contracts and products in or related to the components of the Index (including futures contracts and options on futures contracts, traded on futures exchanges in the United States and other countries, and commodity options and swaps) both for their proprietary accounts and for the accounts of clients. Also, the Index Sponsor or its affiliates may issue or underwrite other financial instruments with returns linked to the prices of the components of the Index and derivative commodities. These trading and underwriting activities could affect the level of the Index in a manner that could reduce the performance.

The Index Publisher will be responsible for the calculation of the Index, and it, as well as the Index Sponsor, will have the authority to make determinations with respect to the Index that could affect its level.

In certain circumstances, the Index Publisher's and Index Sponsor's role as an affiliate of the Investment Manager and its responsibilities with respect to the Index could give rise to conflicts of interest. Even though the Index will be calculated in accordance with the principles set forth in the Index' handbook, its calculation and maintenance require that certain judgments and decisions be made. The Index Publisher and, thus, calculation agent of the Index, and Index Sponsor, will be responsible for these judgments and decisions. As a result, the determinations made by the Index Publisher and Index Sponsor could affect the level of the Index.

Further, the Index Sponsor faces a potential conflict of interest between its role as index sponsor and its affiliates' active role in trading commodities and derivatives instruments based upon the components of the Index.

Investors should note that the entering by the Sub-Fund into the OTC swap transactions with MLI involves a counterparty risk. This risk is however limited to 5% of the net assets of the Sub-Fund in accordance with section 6.2.3 of the Prospectus. This exposes the Sub-Fund to the credit-risk of MLI acting as the Sub-Fund's counterparty under the OTC Transactions and its ability to satisfy the terms of such OTC transactions and therefore the Sub-Fund may suffer a loss and such positions may be terminated. The Board of Directors may then decide to close the Sub-Fund or to enter into similar OTC transactions with an alternative First Class Institution recommended by the Investment Manager. If the Investment Manager cannot identify an alternative First Class Institution for this purpose, the Board of Directors may decide to close the Sub-Fund.

The valuation of the OTC swap transactions will be carried out by a unit of MLI which is independent from the units or entities responsible for the Index and the management of this Sub-Fund (including the OTC swap transactions).

Shareholders of Share Classes denominated in a currency other than the Base Currency will be subject to the risk that the value of their respective functional currency will fluctuate against the Base Currency. The Sub-Fund may, in the discretion of the Investment Manager, attempt to hedge currency risks. However, there is no guarantee that the Investment Manager will be successful in doing so. Any profit and loss resulting from FX hedging will be allocated only to the relevant Class of Shares to which the specific hedge relates. Due to the foregoing, each Class of Shares may differ from each other in their overall performance.

Investors should familiarise themselves with the risks associated with Sub-Funds linked to a Reference Asset through OTC derivatives including but not limited to the discretion of the sponsor of such Reference Asset to modify its features or characteristics from time to time.

Index Tracking Risk

There is no guarantee that the investment objective of the Sub-Fund will be achieved. The total return on investment in the Shares of the Sub-Fund may be reduced by currency hedging inefficiencies, cost and expenses disclosed in the Sub-Fund's Supplement and rebalancing of exposure to the Index.

In addition to the specific risk warnings listed above, investors should refer to the "**Risk Factors**" in section 8 of the Prospectus.

8. Base Currency

The Base Currency of the Sub-Fund is the USD.

9. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "**mixed UCIs**" type.

10. Valuation Day

The Valuation Day of the Sub-Fund will be each Banking Day on which the Index is scheduled to be published.

11. Dealing Day

The Dealing Day of the Sub-Fund will be each Banking Day on which the Index is scheduled to be published.

Shares in the Sub-Fund may be subscribed, redeemed or converted on each Dealing Day. The Dealing Deadline is 5:00 p.m. Luxembourg time on the Banking Day prior to the relevant Dealing Day.

Settlement of subscription and redemption amounts will normally be made within two Banking Days following the relevant Dealing Day.

12. Launch Date

The Sub-Fund was launched on 7 of May 2014.

13. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the Summary of Shares table below. The fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Management Company, in its capacity as Investment Manager, will receive an **Investment Management Fee** of up to 1.95% per annum of the Net Asset Value of the relevant Share Class (as specified in the Summary of Shares table below). The Investment Management Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and will be paid monthly in arrears.

(ii) the Management Company will receive a Distribution Fee of up to 1.95% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Management Company will receive an Administrative and Operating Fee equal to a percentage (as specified in the Summary of Shares table below) of the Net Asset Value of the relevant Share Class. The Administrative and Operating Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and shall be payable monthly in arrears.

14. Investment Manager

The Sub-Fund is managed by the Management Company.

15. Shares

Share Classes are as described in the Summary of Shares table at below.

Any Share Class which is denominated in a currency which is not the Base Currency of the Sub-Fund will aim to hedge the currency exposure of such Class of Shares.

Summary of Shares

Class	B	C	E	Z
Type	Institutional	Retail	Institutional	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to all Institutional Investors	Only available to appointed sub-distributors
Initial Subscription Price	€100 or $100 or £100 or ¥100 or CHF100	€100 or $100 or £100 or SEK1,000 or CHF100	€100 or $100 or £100 or ¥100	€100 or £100
Minimum Initial Subscription Amount	€1,000,000 or $1,000,000 or £1,000,000 or ¥100,000,000 or CHF1,000,000	€10,000 or $10,000 or £10,000 or SEK 65,000 or CHF10,000	€30,000,000 or $50,000,000 or £30,000,000 or ¥ 4,000,000,000	€10,000 or £10,000
Combined Investment Management and Distribution Fee	0.75% p.a. *	1.75% p.a. *	0.60% p.a. *	0.75% p.a. *
Administrative and Operating Fee	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.
Sales Charge	None	up to 5%	None	up to 5%
Redemption Charge	None	up to 3%	None	None

* Investors should note that there are no fees embedded at the index or swap level

TENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH MLCX COMMODITY ENHANCED BETA EX AGRICULTURE FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH MLCX COMMODITY ENHANCED BETA EX AGRICULTURE FUND (the "**Sub-Fund**").

This Sub-Fund is a Merrill Lynch Sub-Fund as defined in the Prospectus.

1. Investment Objectives and Strategies

The investment objective of the Sub-Fund is to provide investors with exposure to the Reference Asset, the Merrill Lynch Commodity Index eXtra 3XG (the "**MLCX**" or "**Index**"), the performance of which may be positive or negative.

To achieve its investment objective, the Sub-Fund will primarily:

- enter into one or more financing transactions (each a "**Financing Transaction**") in order to generate interest rate flows; and
- swap such floating interest rate flows with a First Class Institution, such as MLI, acting as OTC Derivative counterparty, in return for exposure to the Reference Asset.

The Investment Manager will use its discretion to determine which form of Financing Transaction is most appropriate. Examples of Financing Transactions which the Investment Manager may select include but are not limited to:

- Investment in a reverse repurchase agreement under which the Sub-Fund acting as buyer will purchase securities from a First Class Institution such as MLI acting as seller with the obligation for the First Class Institution to repurchase such securities at a date and price agreed between the parties when entering into the reverse repurchase agreement. Such securities will comply with the limits laid down in section 6.10.2 of the Prospectus.
- Investment in a portfolio of transferable securities and/or collective investment undertakings in accordance with the investment restrictions laid down in section 6 of the Prospectus, the Law of 17 December 2010, and all applicable laws and regulations, together with investment in an OTC Derivative, being a Total Return Swap, over that portfolio, and under which the return of the portfolio will be swapped for floating rate interest flows.

Some of the Sub-Fund's Assets may be held on an ancillary basis in liquid assets in order to facilitate potential redemption requests (the "**Cash Balance**").

The Sub-Fund's Assets will be valued on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund.

When applying the limits specified in section 6.2.3 of the Prospectus, reference should be made to the net counterparty risk exposure. Thus, the Company will reduce the gross counterparty risk of the Sub-Fund's OTC Derivatives by implementing the collateral policy as described under section 7.1 of the Prospectus.

The Sub-Fund will not invest directly or indirectly in asset backed securities, high yield bonds and credit linked notes.

The Sub-Fund will not invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings.

2. Index Description

This section is a brief overview of the Index. A detailed description of the Index including the methodology for its calculation, and the composition thereof is available upon request from the registered office of the Distributor and also publicly accessible at: http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/MLCX Handbook Dec 2015.pdf.

The Index is intended to reflect the performance of a basket of commodities (each an "**Index Commodity**") from the following five (5) broad sectors at inception in 2014: Petroleum & Products, Natural Gas, Precious Metals, Base Metals 1 and Base Metals 2 (each a "**Commodity Sector**"). The table below outlines the monthly target weights of the Index Commodities for the year of 2015 and target weights may change over time:

Commodity Sector	Index Commodity	Ticker	Commodity Exchange	Monthly target weights for 2015
Petroleum & Products				**35.01%**
	Crude Oil (WTI)	CLA Comdty	NYMEX (New York Mercantile Exchange)	12.23%
	Gasoline (RBOB)	XBA Comdty	NYMEX (New York Mercantile Exchange)	5.76%
	Heating Oil	HOA Comdty	NYMEX (New York Mercantile Exchange)	5.86%
	Brent	COA Comdty	ICE	11.16%
Energy Natural Gas				**15.49%**
	Natural Gas	NGA Comdty	NYMEX (New York Mercantile Exchange)	15.49%
Precious Metals				**20.00%**
	Gold	GCA Comdty	COMEX	14.71%
	Silver	SIA Comdty	COMEX	5.29%
Base Metals 1				**17.62%**
	Copper (COMEX)	HGA Comdty	COMEX	13.36%
	Zinc	LXA Comdty	LME (London Metal Exchange)	4.26%
Base Metals 2				**11.9%**
	Aluminium	LAA Comdty	LME (London Metal Exchange)	8.14%
	Nickel	LNA Comdty	LME (London Metal Exchange)	3.76%

The Index is rebalanced monthly. The rebalancing of the Index has no effect on the costs within the strategy. Further details of the Index, its components and their weighting, their calculation and rebalancing methodology and their performance can be accessed at www.funds-invest.baml.com/tools/legaldocuments.

For further details on the factors which may limit the ability of the Sub-Fund to track the performance of the Index, investors should read the risk warning headed "**Index Tracking Risk**" in the "**Specific Risk Warnings**" section of this Supplement.

Optimised Roll Schedule

The Index Commodities are represented by future contracts (the "**Index Components**"). When the futures contracts expire, they need to be replaced by new futures contracts according to a transparent and static schedule ("**Roll Schedule**"). Bank of America Merrill Lynch Global Commodities Research fundamental and quantitative analysis has determined that, provided there is sufficient liquidity, rolling Index Commodities future contracts further out on the forward curve may enhance the returns generated by the roll, and that for most commodities, the optimum roll is approximately three (3) months further out along the curve. The analysis also determines that, in addition to enhancing the roll return, rolling Index Commodities future contracts further out may reduce the Index volatility. As a result, the Index applies a third to fourth month rolling schedule for all the Index Commodities with the exception of Natural Gas (the "**Unseasonal Natural Gas Roll Schedule**"). However, there can be no assurance that use of such a roll schedule will enhance returns or reduce volatility.

For Natural Gas, given the recurrent seasonality due to consumption and production cycles, Bank of America Merrill Lynch Global Commodities Research created the Unseasonal Natural Gas Roll Schedule which aims at capturing and taking advantage of this fundamental trend by rolling the Natural Gas future contracts twice a year according to a transparent and rule-based schedule.

Roll and Reset Window

The roll and/or reset of futures contracts as per the Optimised Roll Schedule is implemented over a period of fifteen (15) business days (the "**Roll Window**") beginning on the first business day and ending on the fifteenth business day of the relevant calendar month in which the roll occurs.

Determination of Index Commodities Weights

The weight of each Index Commodity ("**Index Commodity Weight**") is determined in a rule based and transparent manner. The target weights for MLCX are computed by considering the Bloomberg Commodity ex-Agriculture and Livestock Index (with Bloomberg ticker BCOMXAL Index) target weights and applying maximum limits on the weights on the sector level. The weight for the highest weighted sector is capped at 35% and 20% for the other sectors. As certain commodities tend to exceptionally overweight all other commodities in term of volume trading in the commodity market, this may justify an allocation of up to 35% to such particular component in the Index in order to reflect accurately the commodity market.

Index Commodities Weights: Rebalancing Mechanism

The weights are determined yearly for each calendar year based on the closing prices of the futures reflected in the Index on the last Banking Day of December in the previous year.

Index Commodities Weights: Resetting Mechanism

In order to reduce any material fluctuations, a resetting process is then repeated throughout every month of the year, based on prices on the last business day of the preceding month.

Thus, on a monthly basis and semi-continuously during the 15-day Roll and Reset Window of the index, the Index Sponsor will reset towards the Monthly Target Weights for the current year (the "**Reset Mechanism**").

3. Index Calculation

The daily Index closing value of the Total Return Index (TR) will be determined as:

$$TR_t = TR_{t-1}\left(1 + DCR_t + IRR_t\right)\prod_{t-1<\tau<t}\left(1 + IRR_\tau\right)$$

Where:

DCRt is the Daily Commodity Return, which represents the return of a portfolio of commodity futures from t to t-1.

IRRt is the daily return on calendar day t of the Treasury Bill Rate issuing a 360 day per year convention and a period of 91 days.

Treasury Bill Rate is the 91-day auction high rate for U.S. Treasury Bills, as reported by Bloomberg on the most recent of the weekly action dates prior to the calendar day t.

$$TR_{t_0} = 100$$.

The daily Index closing value is calculated in US Dollars on a total return, before costs basis and as such is affected, inter alia, by the following factors:

- the changes in the price of the futures contracts included in the Index, and
- the cash returns represented by the 91 days US treasury bills.

The Index Sponsor and index publisher is MLPF&S (the "**Index Publisher**"). The daily closing Index value is published on Bloomberg page MLCX3XGE Index.

The list of the futures contracts contained in the Index and their weights is updated on a regular basis and is available upon request at the registered office of the Distributor and can be accessed at http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/MLCX Handbook Dec 2015.pdf. It is also published in the annual and semi-annual reports.

In the event that:

- the Index Publisher or any duly appointed successor ceases to calculate the Index; or
- the Index is suspended other than on a temporary basis; or
- the Index Publisher or any duly appointed successor modifies or makes a material change in the method of calculating the Index; or
- the Index Publisher or any duly appointed successor fails to calculate or announce the Index other than on a temporary basis,

then the Board of Directors may decide to close the Sub-Fund or the Index may be replaced by a successor index (subject to the prior approval of the CSSF), using in the determination of the Investment Manager, the same or substantially similar method of calculation as used in the calculation of the Index and having a similar composition. In such case the OTC swap transactions will be terminated in accordance with market convention and new OTC swap transactions linked to the successor index will be entered into with MLI or any other First Class Institution acceptable to the Investment Manager at then prevailing market conditions. The positive performance (if any) of the Index under the OTC swap transactions to be terminated will be paid upon such termination to the Sub-Fund. This Supplement will be updated if the Index is replaced.

Fees embedded at the swap or at the index level (if any) are as described in the Summary of Shares table below.

Information on the level of the Tracking Error experienced by the Sub-Fund will be contained in the most recent financial statements published by the Company. It is currently anticipated that, under normal market conditions, the Tracking Error of the Sub-Fund will be within approximately 1 to 2% annually.

4. Market Disruption Event

In addition to the Market Disruption Events described under section 1. "**Definitions**" of the Prospectus, a "**Market Disruption Event**" in respect of this Sub-Fund means the occurrence of one or more of the following events, as determined by the calculation agent of the OTC Derivative (the "**Calculation Agent**"):

- a material limitation, suspension, or disruption of trading in one or more Index Components which results in a failure by the exchange on which each applicable Index Component is traded to report an exchange published settlement price for such contract on the day on which such event occurs or any succeeding day on which it continues;
- the exchange published settlement price for any Index Component is a "**limit price**", which means that the exchange published settlement price for such contract for a day has increased or decreased from the previous day's exchange published settlement price by the maximum amount permitted under applicable exchange rules;
- failure by the applicable exchange or other price source to announce or publish the exchange published settlement price for any Index Component;
- a suspension of trading in one or more Index Components, for which the trading does not resume at least 10 minutes prior to the scheduled or rescheduled closing time; or
- any other event, if the Calculation Agent determines in its sole discretion that the event materially interferes with its ability to unwind or maintain all or a material portion of a hedge that it has effected or may effect as to the applicable OTC Derivative.

If the Investment Manager determines that there is a Market Disruption Event on Exchange Business Day (as defined below) (each an "**Index Reference Date**"), then the Index Reference Date shall be the first succeeding Exchange Business Day on which the Investment Manager determines that there is no Market Disruption Event, unless the Investment Manager determines that there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the determination by the Investment Manager of a Market Disruption Event, would have been the initial Index Reference Date. In that case:

- that fifth Exchange Business Day shall be deemed to be the Index Reference Date, notwithstanding the Market Disruption Event; and
- the Investment Manager shall determine the level of the Index on that fifth Exchange Business Day in accordance with the method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using its good faith estimate of the exchange-traded price as of the fifth Exchange Business Day of each Index Component.

If the calculation of the Index is temporarily suspended, then the Investment Manager shall determine the Index in accordance with the method of calculating the Index last in effect prior to the suspension, but using only those Index Components that comprised the Index immediately prior to the suspension (other than those securities that have since ceased to be listed on the exchange).

"**Exchange Business Day**" means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on any of the commodity exchanges where an Index Component is traded other than a day on which trading on the relevant commodity exchange is scheduled to close prior to its regular weekday closing time.

As a consequence of the above, the Investment Manager will determine the appropriate adjustment, if any, to be made to the Sub-Fund such as without limitation, a change of the objectives and policies of the Sub-Fund and/or the Reference Asset and determine the effective date of that adjustment. Any change in the investment objective and any material change in investment policies will require the prior approval of the Board of Directors and of the CSSF, and triggers a prior notice period of thirty (30) days during which Shareholders have the right to request the redemption of their Shares free of any charges. The occurrence of a Market Disruption Event may result in a suspension of valuations and issue and redemption and conversion of Shares in accordance with section 16 "**Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares**".

5. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund. The unit of the Management Company responsible for the risk management of the Company is independent from the units or entities responsible for the management of the Sub-Fund. For further information on risk management, investors should refer to section 11.6 of the Prospectus "**Risk Manager**".

6. Risk Profile

An investment in the Sub-Fund is designated to be a medium to long term investment. Investors should not expect to obtain short-term gains from such investment. The Sub-Fund is suitable for investors who can afford to set aside the capital for the medium to long term and who seek a medium to high investment risk.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 100% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher. .

The Sub-Fund's exposure to Repurchase Transactions is expected to represent 95% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

7. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to the Index, the performance of which may rise and fall. As the Index is comprised of commodity futures contracts selected across the Commodity Sectors including: Petroleum and Products, Natural Gas, Precious Metals and Base Metals, the value of the Shares of the Sub-Fund is subject to the normal fluctuations of the commodity markets. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors may very well lose the whole of their initial investment. The Sub-Fund will have to make a payment to its swap counterparty if the Index level on a reset date is less than the Index level at the start of a reset period, such payment being equivalent to the negative performance of the Index. This payment will be made from the proceeds received from selling a corresponding amount of the Sub-Fund's Assets.

The prices of futures contracts and underlying commodities are subject to a variety of market factors, and to rapid and unpredictable fluctuations, which could adversely affect the Net Asset Value of the Shares. The prices of commodity futures contracts are affected by a variety of factors, including weather, governmental programs and policies, national and international political and economic events, changes in interest and exchange rates, forces of supply and demand and trading activities in futures and commodities, including the activities of speculators in the relevant markets. Any of these factors, as well as others, could adversely affect the level of the Index and therefore the Net Asset Value of the Shares.

Suspensions or disruptions of trading in the futures markets could adversely affect the Net Asset Value of the Shares. The commodity futures markets are subject to temporary distortions or other disruptions due to various factors, including the possible lack of liquidity in the markets, the participation of speculators in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuations in futures contract prices that may occur during a single trading day. These limits are generally referred to as "**daily price fluctuation limits**" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "**limit price**". Once the limit price has been reached in a particular contract, no trading can take place above or below that price, as the case may be. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the level of the Index and therefore the Net Asset Value of the Shares.

The Index is a rolling index; negative roll yields could adversely affect the performance of the Index. The Index is composed of commodity futures contracts. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts have a set expiration date and normally specify a certain date for delivery of the underlying physical commodity. In the case of the Index, as the exchange-traded futures contracts that comprise the Index approach the month before expiration, they are replaced by contracts that have a later expiration. This process is referred to as "**rolling**". If the market for these contracts is (putting aside other considerations) in "backwardation", where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the nearer delivery month contract would take place at a price that is higher than the price of the distant delivery month contract, thereby creating a positive "**roll yield**". There is no indication that these markets will consistently be in backwardation or that positive roll yield will contribute to the future performance of the Index. Instead, these markets may trade in "**contango**". Contango markets are those in which the prices of contracts with distant delivery months are higher than those involving nearer delivery months. Certain of the commodities included in the Index have historically traded in contango markets. Contango in the commodity markets would result in negative **"roll yields**" which would adversely affect the level of the Index.

The Index is concentrated in a limited number of Commodity Sectors. The Index is designed as a broad-based index of commodity market performance. The principles established with respect to the Index therefore prohibit the highest weighted Commodity Sector from comprising more than 35% of the weight of the Index at any time and 20% for the other Commodity Sectors, in order to promote the diversification of the Index. The Petroleum & Products sector currently accounts for 35% of the Index and the Natural Gas, Base Metals 1, Base Metals 2 and Precious Metals account for16, 17%, 12%and

20% respectively. Accordingly, a decline in value in such raw materials would adversely affect the performance of the Index.

Technological advances or the discovery of new oil reserves could lead to increases in worldwide production of oil and corresponding decreases in the price of crude oil. In addition, further development and commercial exploitation of alternative energy sources, including solar, wind or geothermal energy, could lessen the demand for crude oil products and result in lower prices. Absent amendment of the Index to lessen or eliminate the concentration of existing petroleum contracts in the Index or to broaden the Index to account for such developments, the level of the Index could decline.

The weighting of each commodity futures contract that will be used to calculate the closing level of the Index (which in turn will impact the Net Asset Value of the Shares) will not be equal. As a result, a percentage change in the market price for certain commodity futures contracts over its initial market price will have a greater impact on the closing level of the Index than will a similar percentage in the market price of other commodity futures.

Trading in the components of the Index by the Index Sponsor and any of its affiliates may affect the performance of the Index.

The Index Sponsor and any of its affiliates will, from time to time, actively trade in some or all of the components of the Index on a spot and forward basis and other contracts and products in or related to the components of the Index (including futures contracts and options on futures contracts, traded on futures exchanges in the United States and other countries, and commodity options and swaps) both for their proprietary accounts and for the accounts of clients. Also, the Index Sponsor or its affiliates may issue or underwrite other financial instruments with returns linked to the prices of the components of the Index and derivative commodities. These trading and underwriting activities could affect the level of the Index in a manner that could reduce the performance.

The Index Publisher will be responsible for the calculation of the Index, and it, as well as the Index Sponsor, will have the authority to make determinations with respect to the Index that could affect its level.

In certain circumstances, the Index Publisher's and Index Sponsor's role as an affiliate of the Investment Manager and its responsibilities with respect to the Index could give rise to conflicts of interest. Even though the Index will be calculated in accordance with the principles set forth in the Index' handbook, its calculation and maintenance require that certain judgments and decisions be made. The Index Publisher and, thus, calculation agent of the Index, and the Index Sponsor, will be responsible for these judgments and decisions. As a result, the determinations made by the Index Publisher and Index Sponsor could affect the level of the Index.

Further, the Index Sponsor faces a potential conflict of interest between its role as index sponsor and its affiliates' active role in trading commodities and derivatives instruments based upon the components of the Index.

Investors should note that the entering by the Sub-Fund into the OTC swap transactions with MLI involves a counterparty risk. This risk is however limited to 5% of the net assets of the Sub-Fund in accordance with section 6.2.3 of the Prospectus. This exposes the Sub-Fund to the credit-risk of MLI acting as the Sub-Fund's counterparty under the OTC Transactions and its ability to satisfy the terms of such OTC transactions and therefore the Sub-Fund may suffer a loss and such positions may be terminated. The Board of Directors may then decide to close the Sub-Fund or to enter into similar OTC transactions with an alternative First Class Institution recommended by the Investment Manager. If the Investment Manager cannot identify an alternative First Class Institution for this purpose, the Board of Directors may decide to close the Sub-Fund. The valuation of the OTC swap transactions will be carried out by a unit of MLI which is independent from the units or entities responsible for the Index and the management of this Sub-Fund (including the OTC swap transactions).

Shareholders of Share Classes denominated in a currency other than the Base Currency will be subject to the risk that the value of their respective functional currency will fluctuate against the Base Currency. The Sub-Fund may, in the discretion of the Investment Manager, attempt to hedge currency risks. However, there is no guarantee that the Investment Manager will be successful in doing so. Any profit and loss resulting from FX hedging will be allocated only to the relevant Class of Shares to which the specific hedge relates. Due to the foregoing, each Share Class may differ from each other in their overall performance.

Investors should familiarise themselves with the risks associated with Sub-Funds linked to a Reference Asset through OTC derivatives including but not limited to the discretion of the sponsor of such Reference Asset to modify its features or characteristics from time to time.

Index Tracking Risk

There is no guarantee that the investment objective of the Sub-Fund will be achieved. The total return on investment in the Shares of the Sub-Fund may be reduced by currency hedging inefficiencies, cost and expenses disclosed in the Sub-Fund's Supplement and rebalancing of exposure to the Index.

In addition to the specific risk warnings listed above, investors should refer to the "**Risk Factors**" in section 8 of the Prospectus.

8. Base Currency

The Base Currency of the Sub-Fund is the USD.

9. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "**mixed UCIs**" type.

10. Valuation Day

The Valuation Day of the Sub-Fund will be each Banking Day on which the Index is scheduled to be published.

11. Dealing Day

The Dealing Day of the Sub-Fund will be each Banking Day on which the Index is scheduled to be published.

Shares in the Sub-Fund may be subscribed, redeemed or converted on each Dealing Day. The Dealing Deadline is 5:00 p.m. Luxembourg time on the Banking Day prior to the relevant Dealing Day.

Settlement of subscription and redemption amounts will normally be made within two Banking Days following the relevant Dealing Day.

12. Launch Date

The Sub-Fund was launched on 1st April 2014.

13. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the Summary of Shares table below. The fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Management Company, in its capacity as Investment Manager, will receive an **Investment Management Fee** of up to 1.75% per annum of the Net Asset Value of the relevant Share Class (as specified in the Summary of Shares table below). The Investment Management Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and will be paid monthly in arrears.

(ii) the Management Company will receive a **Distribution Fee** of up to 1.75% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the Summary of Shares table below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the Summary of Shares table below) of the Net Asset Value of the relevant Share Class. The Administrative and Operating Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and shall be payable monthly in arrears.

14. Investment Manager

The Sub-Fund is managed by the Management Company.

15. Shares

Share Classes are as described in the Summary of Shares table at below.

Any Share Class which is denominated in a currency which is not the Base Currency of the Sub-Fund will aim to hedge the currency exposure of such Class of Shares.

Summary of Shares

Class	B	C	D	E	H	Z
Type	Institutional	Retail	Institutional	Institutional	Institutional	
Availability	Available to all Institutional Investors	Available to all investors	Only available to Institutional Investors until the earlier of: (a) the Sub-Fund's NAV being greater than or equal to $100 million, or (b) one year after the Sub-Fund's launch	Available to all Institutional Investors	Available to all Institutional Investors	Available to appointed sub-distributors
Minimum Initial Subscription Amount / Initial Offering Period Minimum Subscription Amount	€1,000,000 or $1,000,000 or £1,000,000 or CHF1,000,000	€10,000 or $10,000 or £10,000 or CHF10,000	€5,000,000 or $7,500,000 or £5,000,000 or CHF7,500,000	€30,000,000 or $50,000,000 or £30,000,000 or CHF50,000,000	€60,000,000 or $100,000,000 or £60,000,000 or CHF100,000,000	€10,000 or $10,000
Combined Investment Management and Distribution Fee	0.75% p.a. *	1.75% p.a. *	0.60% p.a. *	0.60% p.a. *	0.40% p.a. *	0.75% p.a. *
Administrative and Operating Fee	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.
Sales Charge	None	up to 5%	None	None	None	up to 5%
Redemption Charge	None	None	None	None	None	None

* Investors should note that there are no fees embedded at the index or swap level.

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The Supplement relates only to the Sub-Fund and does not relate to the exchange-traded physical commodities underlying any of the Bloomberg Commodity IndexSM components. Investors of the Sub-Fund should not conclude that the inclusion of a futures contract in the Bloomberg Commodity IndexSM is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates. The information in the Supplement regarding the Bloomberg Commodity IndexSM components has been derived solely from publicly available documents. None of Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates has made any due diligence inquiries with respect to the Bloomberg Commodity IndexSM components in connection with the Sub-Fund. None of Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates makes any representation that these publicly available documents or any other publicly available information regarding the Bloomberg Commodity IndexSM components, including without limitation a description of factors that affect the prices of such components, are accurate or complete.

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ELEVENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH MLCX COMMODITY ALPHA FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH MLCX COMMODITY ALPHA FUND (the "**Sub-Fund**").

This Sub-Fund is a Merrill Lynch Sub-Fund as defined in the Prospectus.

1. Investment Objectives and Strategies

The investment objective of the Sub-Fund is to provide investors with exposure to the Reference Asset which is the Merrill Lynch Commodity Index eXtra^{SM} Alpha 5 Long Short (the "**MLCX 5 ALS Index**" or "**the Index**") together with exposure to a cash rate equivalent to the official three month United States Treasury Bill rate ("**the Cash Rate**"). The Index is based on sub-indices comprised of the principal commodity sectors: energy, base metals, precious metals and grains and oil seeds. As detailed below, investors in different Share Classes are subject to different levels of participation in the Reference Asset. The performance of the Reference Asset may be positive or negative, and investors in a Share Class with a higher level of participation in the Reference Asset will have a higher participation in negative returns as well as positive returns. The Index is leveraged five times, as described in more detail in section 2 below. The extent to which an investment in the Sub-Fund may be regarded as leveraged is set out in the Summary of Shares table below under the heading "**Net Leverage**".

To achieve its investment objective, the Sub-Fund will enter into a swap with a First Class Institution, such as MLI, acting as OTC Derivative counterparty, whereby the Sub-Fund will swap an interest rate flow in return for exposure to the Reference Asset and the Cash Rate.

In order to generate the interest rate to be swapped for exposure to the Reference Asset and the Cash Rate, the Sub-Fund will enter into one or more financing transactions (each a "**Financing Transaction**"). Accordingly, each of the Financing Transaction and swap described above will involve receipt (in the case of the Financing Transaction) and delivery (in the case of the swap) of the same interest flow.

The initial form of Financing Transaction into which the Sub-Fund entered is a repurchase agreement, as further detailed below. However, throughout the life of the Sub-Fund, the Investment Manager may use its discretion to determine which form of Financing Transaction is most appropriate. Examples of Financing Transactions which the Investment Manager may select include but are not limited to:

(i) Use of a reverse repurchase agreement for efficient portfolio management under which the Sub-Fund acting as buyer will purchase securities from a First Class Institution such as MLI acting as seller with the obligation for the First Class Institution to repurchase such securities at a date and price agreed between the parties when entering into the reverse repurchase agreement (the initial purchase price and the repurchase price may be the same, and, in such circumstances, the First Class Institution will agree to pay, in addition to the repurchase price, a payment in an amount corresponding to an interest payment on the value of the aggregate purchase price of the relevant securities).

(ii) Investment in a portfolio of Investment Instruments (generally comprising transferable securities listed or traded on Regulated Markets, including equities and highly rated, fixed or floating rate government or commercial bonds or other commercial paper), money market instruments (such as money market funds or commercial paper) and/or collective investment undertakings in accordance with the investment restrictions laid down in section 6 of the Prospectus, all applicable law and regulations, together with investment in an OTC

Derivative, being a Total Return Swap, over that portfolio, and under which the return of the portfolio will be swapped for floating rate interest flows (which for the avoidance of doubt may be a separate Total Return Swap to that described above).

Some of the Sub-Fund's Assets may be held on an ancillary basis in liquid assets in order to facilitate potential redemption requests.

The Sub-Fund's Assets will be valued on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund. The OTC swap transactions will be valued by MLI on a consistent basis utilising proprietary valuation models. The OTC Derivatives will be adjusted in case of redemption requests. The market risk of the Sub-Fund is measured using an advanced risk management process which aims to ensure that on any day the Absolute Value-at-Risk of the Sub-Fund will be no greater than 20% of the Net Asset Value of the Sub-Fund. This is based on an investment horizon of 20 days and is calculated with a 99% confidence level.

When applying the limits specified in section 6.2.3 of the Prospectus to the OTC Derivatives, reference should be made to the net counterparty risk exposure. Thus, the Company will reduce the gross counterparty risk of the Sub-Fund's OTC Derivatives by implementing the collateral policy as described under section 7.1 of the Prospectus.

Sub-Fund will not invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings.

2. Index Description

The Index has the objective of generating absolute returns by extracting structural alpha from various commodity markets in a liquid, transparent and cost-efficient manner.

General Description

The Index is designed to arbitrage the difference in the performance of two sub-indices (each a "**Sub-Index**" and collectively the "**Sub-Indices**") on a five times leveraged basis. The Sub-Indices are (1) the Merrill Lynch Commodity Index eXtra^{SM} A01 Excess Return Index (the "**MLCXA01 Index**") and (2) the Bloomberg Commodity Index^{SM} (the "**Bloomberg Commodity Index^{SM}**"), by taking a long position in the former and a short position in the latter. More detailed information in relation to the Bloomberg Commodity Index^{SM} is set out in the section headed "Bloomberg Commodity Index^{SM}" below. The MLCXA01 Index utilises the commodity components and market weights of the Bloomberg Commodity Index^{SM}, which are described in the "Bloomberg Commodity Index^{SM}" section below and can be accessed at https://www.bloombergindices.com/bloomberg-commodity-index-family/, but applies the MLCX Optimized Roll technology. The methodology used to measure the performance of each Index will specify the time at which the relevant futures contracts will be maintained or "rolled". The MLCX Optimized Roll technology is designed to enhance the returns from rolling the futures contracts that give exposure to the commodities included in the relevant index. This is because by rolling the contracts at different times, different returns are generated because the price of the contracts and the cost of rolling will be different. This is described in more detail under "Roll Schedule of the Sub-Indices" below. Both Sub-Indices are constructed to be identical in terms of components and market weights at the beginning of each year and will differ slightly throughout the year due to the relative out-performance of one Sub-Index versus another. Currently, the commodities underlining the Index are the following:

Brent crude oil, heating oil, Kansas wheat, natural gas, unleaded gasoline, corn, soybeans, soybean meal, soybean oil, wheat, coffee, cotton, sugar, aluminium, copper, nickel, WTI Crude Oil, zinc, lean hogs, live cattle, gold and silver[1].

However, the design of the Index is intended to ensure that the Index arbitrages the different rolling mechanism between the MLCXA01 Index and the Bloomberg Commodity Index^{SM} rather than taking any directional view on the underlying commodities. As a result, the Index has a market-neutral exposure to the various underlying commodities and a direct exposure to the outperformance of the MLCXA01 Index versus the Bloomberg Commodity Index^{SM}.

The Index is five times leveraged meaning that the level of the Index increases by five times the outperformance of the MLCXA01 Index compared to the Bloomberg Commodity Index^{SM} and decreases by five times the underperformance of the MLCXA01 Index compared to the Bloomberg Commodity Index^{SM}. As further described below, certain Share Classes have reduced participation in the Index meaning that these Share Classes are less than five times leveraged on a net basis (i.e. the level of participation of the Share Class (e.g. 60% or 3/5^{ths}) multiplied by the leverage inherent in the Index (5)).

Each Sub-Index consists of Index Commodities (as defined below). The number of Index Commodities as of January 2013 is 22, as set out below, but may change in the future in accordance with the rules of the Bloomberg Commodity Index^{SM}. The weights relating to the Index Commodities in the Bloomberg Commodity Index^{SM} are set out in the section headed "Bloomberg Commodity Index^{SM}".

Each Sub-Index is rebalanced annually (as described in more detail in the "Bloomberg Commodity Index^{SM}" section below). The rebalancing has no effect on the costs within the strategy. Further details of the Index and Sub-Indices, their components and their weighting, their calculation and rebalancing methodology and their performance can be accessed at http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/MLCX Handbook Dec 2015.pdf.

For further details on the factors which may limit the ability of the Sub-Fund to track the performance of the Index, investors should read the risk warning headed "Index Tracking Risk" in the "Specific Risk Warnings" section of this Supplement.

Roll Schedule of the Sub-Indices

The commodities in both Sub-Indices (each an "Index Commodity") are represented by futures contracts. When the futures contracts expire, they are replaced by new futures contracts according to a transparent and static schedule ("Roll Schedule"). The Bloomberg Commodity Index^{SM} generally rolls the futures contract which is closest to expiry into the futures contract which is third closest to expiry, on a bi-monthly basis. Bank of America Merrill Lynch Global Commodities Research fundamental and quantitative analysis has determined that, provided there is sufficient liquidity in the futures markets, rolling Index Commodities futures contracts out farther than the third closest to expiry enhances the returns generated by the roll. The differences in supply and demand at the time(s) at which the futures contracts are rolled means that the futures contracts may be rolled at better prices. The analysis also determines that, in addition to enhancing the roll return, rolling Index Commodities futures contracts farther out reduces the Index volatility. As a result, the MLCXA01 Index applies the systematic and transparent MLCX Optimized Roll technology to each Index Commodity in order to reduce the cost of maintaining a position and optimise the price at which the relevant futures contracts roll on a monthly basis, where practicable ("Optimized Roll Schedule"). Information on the Index can be accessed freely

[1] For further details please refer to page below

at http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/MLCX Handbook Dec 2015.pdf

Roll and Reset Window of the Sub-Indices

The roll and re-weight of the futures contracts in the Bloomberg Commodity Index^{SM} is implemented over a period of 5 days (the "**Short Index Roll and Reset Window**") beginning on the fifth (5th) day and ending on the ninth (9th) Bloomberg Business Day of the relevant calendar month in which the roll occurs. A Bloomberg Business Day is defined in accordance with the Bloomberg Commodity Index^{SM} Methodology and means any day on which the sum of the commodity index percentages for those index commodities that are open for trading is greater than 50%.

The roll and re-weight of the futures contracts in the MLCXA01 Index is implemented over a period of fifteen (15) Index Business Days (as defined below) (the "**Long Index Roll and Reset Window**") beginning on the first (1st) Index Business Day and ending on the fifteenth (15th) Index Business Day of the relevant calendar month in which the roll occurs. The roll and reset mechanism of the MLCXA01 Index is therefore intended to reduce the trading disadvantage linked to passive money flows into commodity benchmarks, compared to the roll and reset mechanism of the Bloomberg Commodity Index^{SM}. In accordance with the MLCX handbook, an "**Index Business Day"** is any New York Mercantile Exchange Trading Day on which MLPF&S is open for business.

Determination of Index Commodity Weights of the Sub-Indices

Bloomberg Percentage Target Weights are determined according to Bloomberg methodology and are communicated by Bloomberg in January and for the calendar year.

The Percentage Target Weight of each Index Commodity in the MLCXA01 Index is defined equal to the corresponding Bloomberg Index Percentage Target Weights in January for the calendar year. Oil and other energy commodities continue to exceptionally overweight all other commodities in term of volume trading in the commodity market. This justifies an allocation of up to 35% to this sector in the index in order to reflect accurately the commodity market.

Reset Mechanism of Index Commodity Weights

In order to reduce any drift from the of weights relative to the Bloomberg Percentage Target Weights, a resetting process is repeated throughout every month of the year, based on prices on the last Bloomberg Business Day of the preceding month and the contract units of the Bloomberg Commodity Index^{SM}, in such a way that the Percentage Target Weights of MLCXA01 equal the composition of the Bloomberg Commodity Index^{SM} as of the end of the preceding month.

Thus, on a monthly basis and semi-continuously during the Roll and Reset Window of the respective Sub-Index, the Index Sponsor (as defined in section 3 below) will reset towards the Bloomberg composition at the end of the preceding month ("**Reset Mechanism**").

Participation Level in the Index

The table below details the Sub-Fund's level of participation in the Index.

Net Leverage of Investment in Sub-Fund	Participation Level in the Index	Roll Costs	Total Return Bloomberg Code
5 x	100%	1.65%	MLCXAF5T

Classes will not be leveraged through the use of the OTC swap transactions.

Any hedging costs embedded at the index level are as described in the Summary of Shares table below.

3. Index Calculation

The Sub-Indices are calculated on an "excess return" basis. An "excess return" index reflects the value of an unfunded investment into the Sub-Indices using the daily closing levels of the Sub-Indices.

The Index Sponsor and index publisher for the Index and the Merrill Lynch Commodity Index eXtra^{SM} A01 Excess Return Index is MLPF&S (the "**Index Publisher**"). The daily closing Index values are published on Bloomberg pages MLCX5ALS and MLCXA01, respectively.

The index sponsors of the Bloomberg Commodity Index^{SM} are Bloomberg, UBS AG and UBS Securities LLC (each a "**Bloomberg Index Sponsor**"). The daily closing Index values are published on Bloomberg pages BCOM.

A detailed description of the Index including the methodology for its calculation, and the composition thereof is available upon request at the registered office of the Distributor and can be accessed at http://www.mlindex.ml.com/GISpublic/bin/getDoc.asp?fn=IndexRules/Archives/Rules/MLCX Handbook Dec 2015.pdf.

In the event that:

1. the Index Publisher or a Bloomberg Index Sponsor, or any duly appointed successor, ceases to calculate the relevant Index or Sub-Index; or
2. either of the Bloomberg Commodity Index^{SM} or the Index is suspended other than on a temporary basis; or
3. the Index Publisher or a Bloomberg Index Sponsor, or any duly appointed successor, modifies or makes a material change in the method of calculating the relevant Index or Sub-Index; or
4. the Index Publisher or a Bloomberg Index Sponsor, or any duly appointed successor, fails to calculate or announce the relevant Index or Sub-Index other than on a temporary basis;

then the Board of Directors may decide to close the Sub-Fund and all of the Share Classes of the Sub-Fund, or the Index may be replaced by a successor index (subject to the prior approval of the CSSF and Shareholders, if required), using in the determination of the Investment Manager, the same or substantially similar method of calculation as used in the calculation of the Index and having a similar composition. In such case the OTC Derivatives will be terminated in accordance with market convention and new OTC Derivatives linked to the successor index will be entered into with MLI or any other First Class Institution approved by the Investment Manager at then prevailing market conditions. The positive value (if any) of the OTC Derivatives to be terminated will be paid upon such termination to the Sub-Fund.

Information on the level of the Tracking Error experienced by the Sub-Fund will be contained in the most recent financial statements published by the Company. It is currently anticipated that, under normal market conditions, the Tracking Error of the Sub-Fund will be within approximately 1 to 2% annually.

4. Share Class Returns

Investors should note that the Sub-Fund represents an investment which is linked to the Reference Asset on a "total return basis", reflecting the Cash Rate as well as the Index performance. In addition, the Sub-Fund offers investment in three different levels of participation in the Index, and on a "return after costs" basis. The performance of a specific Share Class is therefore determined by (i) the daily closing value of the Index determined on a "excess return basis" and multiplied by the relevant participation level (as set out in the table under "Participation Levels in the Index" above), (ii) the deduction of roll costs calculated and deducted daily on a pro-rata basis (set out in the table under "Participation Levels in the Index" above and differing depending on the participation level), (iii) the Cash Rate return (as set out in section 6 "Cash Rate" below), and (iv) the fees set out in the Summary of Shares table below or otherwise disclosed in the Prospectus.

The Sponsor has arranged for the Index Publisher to publish Bloomberg the page MLCXAF5T, which shows the daily closing values of Share Class returns as set out in the preceding paragraph but excluding (iv) fees set out in the Summary of Shares table below or otherwise disclosed in the Prospectus.

5. Market Disruption Event

In addition to the Market Disruption Events described under section 1 of the Prospectus, a "**Market Disruption Event**" in respect of this Sub-Fund means one or more of the following events, as determined by the calculation agent of the OTC Derivative (the "**Calculation Agent**"):

(i) a material limitation, suspension, or disruption of trading in one or more Index components which results in a failure by the exchange on which each applicable Index component is traded to report an exchange published settlement price for such contract on the day on which such event occurs or any succeeding day on which it continues;

(ii) the exchange published settlement price for any Index component is a "limit price", which means that the exchange published settlement price for such contract for a day has increased or decreased from the previous day's exchange published settlement price by the maximum amount permitted under applicable exchange rules;

(iii) failure by the applicable exchange or other price source to announce or publish the exchange published settlement price for any Index component;

(iv) a suspension of trading in one or more Index components, for which the trading does not resume at least ten minutes prior to the scheduled or rescheduled closing time; or

(v) any other event, if the Calculation Agent determines in its sole discretion that the event materially interferes with its ability to unwind or maintain all or a material portion of a hedge that it has effected or may effect as to the applicable OTC Derivative.

If the Calculation Agent determines that there is a Market Disruption Event on any New York and London business day (an "**Index Reference Date**"), then the Index Reference Date shall be the first (1st) succeeding Exchange Business Day (as defined below) on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event on each of the five (5) Exchange Business Days immediately following the original date that, but for the determination by the Calculation Agent of a Market Disruption Event, would have been the initial Index Reference Date. In that case:

(i) that fifth (5th) Exchange Business Day shall be deemed to be the Index Reference Date, notwithstanding the Market Disruption Event; and

(ii) the Calculation Agent shall determine the level of the Index on that fifth (5th) Exchange Business Day in accordance with the method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using its good faith estimate of the exchange-traded price as of the fifth (5th) Exchange Business Day of each commodity futures contracts comprising the Index.

If the calculation of the Index is temporarily suspended, then the Calculation Agent shall determine the Index in accordance with the method of calculating the Index last in effect prior to the suspension, but using only those commodity futures contracts that comprised the Index immediately prior to the suspension (other than those commodity futures contracts that have since ceased to be listed on the exchange).

As a consequence of the above, the Investment Manager will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the relevant Sub-Fund such as without limitation, a change of the objectives and policies of the Sub-Fund and/or the Reference Asset and determine the effective date of that adjustment. Any change in the investment objective and any material change in investment policies will require shareholder approval in accordance with section 5 of the Prospectus. The occurrence of a Market Disruption Event may result in a suspension of valuations and issue and redemption and conversion of Shares in accordance with section 16 of the Prospectus.

"**Exchange Business Day**" means any day that is both an Index Business Day and a Bloomberg Business Day.

6. Cash Rate

The Cash rate represents the official three month United States Treasury Bill rate, which is the 91-day auction high rate as reported under the ticker <USB3MTA Index> available on Bloomberg, annualised and published under the ticker <MLCXCASH Index> available on Bloomberg.

7. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund. The unit of the Management Company responsible for the risk management of the Company is independent from the units or entities responsible for the management of the Sub-Fund. For further information on risk management, investors should refer to section 11.6 of the Prospectus "Risk Manager".

8. Risk Profile

The Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of a Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the expected level of leverage 1050% of the Sub-Fund's Net Asset Value.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 1000% of its Net Asset Value and will not exceed 1050% of its Net Asset Value. In certain circumstances, these proportions may be higher.

The Sub-Fund's exposure to Repurchase Transactions is expected to represent 95% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher. Specific Risk Warnings

As this Sub-Fund uses financial derivative instruments for investment purposes, there may be a risk that the volatility of the Sub-Fund's Net Asset Value may increase.

The value of the Sub-Fund's Assets is linked to the Index, the performance of which may rise and fall. As the Index is comprised of a five times leveraged long position in MLCXA01 and short position in the Bloomberg Commodity Index^{SM}, the value of the Shares of the Sub-Fund is subject to five times the relative out-performance of one Sub-Index versus another. The Index will rise if the MLCXA01 Index out-performs the Bloomberg Commodity Index^{SM} and will fall if the MLCXA01 Index under-performs the Bloomberg Commodity Index^{SM}. Although the MLCXA01 Index has out-performed the Bloomberg Commodity Index^{SM} on average in the past, there can be no assurance that this trend will continue into the future. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investment in share classes which are leveraged on a net basis are particularly liable to losses and investors may very well lose the whole of their initial investment. The Sub-Fund will have to make a payment to its OTC Derivative counterparty if the level of the Index on a reset date is less that the level of the Index at the start of a reset period, such payment being equivalent to the negative performance of the Index. Such payments will be made from the proceeds received from selling a corresponding amount of the Sub-Fund's Assets.

Although the Index is intended to have market-neutral exposure to the various underlying commodities, investors should note that the prices of commodities and their corresponding futures contracts are volatile and may not be suitable for all investors. The prices of futures contracts and underlying commodities are subject to a variety of market factors, and to rapid and unpredictable fluctuations, which could adversely affect the Net Asset Value of the Shares. The prices of commodity futures contracts are affected by a variety of factors, including weather, governmental programs and policies, national and international political and economic events, changes in interest and exchange rates, forces of supply and demand and trading activities in futures and commodities, including the activities of speculators in the relevant markets. Any of these factors, as well as others, could adversely affect the level of the Index and therefore the Net Asset Value of the Shares.

Suspensions or disruptions of trading in the futures markets could adversely affect the Net Asset Value of the Shares. The commodity futures markets are subject to temporary distortions or other disruptions due to various factors, including the possible lack of liquidity in the markets, the participation of speculators in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuations in futures contract prices that may occur during a single trading day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, no trading can take place above or below that price, as the case may be. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the level of the Index and therefore the Net Asset Value of the Shares.

Trading in the components of the Index by the Index Sponsor and any of its affiliates may affect the performance of the Index.

MLPF&S and any of its affiliates will, from time to time, actively trade in some or all of the components of the Index on a spot and forward basis and other contracts and products in or related to the components of the Index (including futures contracts and options on futures contracts, traded on futures exchanges in the United States and other countries, and commodity options and swaps) both for their proprietary accounts and for the accounts of clients. Also, the Index Sponsor of the Index or its affiliates may issue or its affiliates may underwrite other financial instruments with returns linked to the prices of the components of the Index and derivative commodities. These trading and underwriting activities could affect the level of the Index in a manner that could reduce the performance.

The Index Publisher and Index Sponsor are responsible for the calculation of the Index and have the authority to make determinations with respect to the Index which could affect its levels.

The Index Publisher and Index Sponsor are the same affiliate of the Investment Manager and in certain circumstances its roles as an affiliate of the Investment Manager and its responsibilities with respect to the Index could give rise to conflicts of interest. Even though the Index will be calculated in accordance with the principles set forth in the MLCX Handbook, its calculation and maintenance require that certain judgments and decisions be made. MLPF&S, as Index Publisher and Index Sponsor, will be responsible for these judgments and decisions. As a result, the determinations made by the Index Publisher and/or the Index Sponsor could affect the level of the Index.

Further, MLPF&S faces a potential conflict of interest between its role as Index Sponsor and its affiliates' active role in trading commodities and derivatives instruments based upon the components of the Index. For example, its trading activities will contribute to changes in the prices of futures contracts relating to commodities included in the Index.

Similarly, each of the Bloomberg Index Sponsors, Bloomberg, UBS AG and UBS Securities LLC, as Bloomberg Index Sponsors, will make certain judgments and decisions with respect to the Bloomberg Commodity Index^{SM}. The Bloomberg Index Sponsors will be responsible for these judgments and decisions. As a result, the determinations made by the Bloomberg Index Sponsors could affect the level of the Bloomberg Commodity Index^{SM}.

Investors should note that the entering by the Sub-Fund into the OTC Derivatives and the reverse repurchase agreement with MLI involves a counterparty risk. This risk is however limited to 5% of the net assets of the Sub-Fund in accordance the section 6.2.3 of the Prospectus. This exposes the Sub-Fund to the credit-risk of MLI acting as the Sub-Fund's counterparty under the swap and the reverse repurchase agreement and its ability to satisfy the terms of the swap or the reverse repurchase agreement. In the event that the Sub-Fund is owed an amount by MLI under these transactions and MLI defaults on its payment obligations, the Sub-Fund may suffer a loss and such transactions may be terminated. The Board of Directors may then decide to close the Sub-Fund or to enter into similar transactions with an alternative First Class Institution recommended by the Investment Manager. If the Investment Manager cannot identify an alternative First Class Institution for this purpose, the Board of Directors may decide to close the Sub-Fund.

The valuation of the OTC Derivatives may be carried out by a unit of MLI and any such unit will be independent from the units or entities responsible for the Index and the management of this Sub-Fund (including the OTC swap transactions).

Shareholders of Share Classes denominated in a currency other than the Base Currency of the Sub-Fund will be subject to the risk that the value of their respective functional currency will fluctuate against the Base Currency of the Sub-Fund. The Sub-Fund will attempt to hedge currency risks through the use of forward foreign exchange contracts. However, there is no guarantee that the Investment Manager will be successful in doing so. Any profit and loss resulting from FX hedging will be allocated only to the relevant Class to which the specific hedge relates. Due to the foregoing, each Share Class may differ from each other in their overall performance.

Investors should familiarise themselves with the risks associated with Sub-Funds linked to a Reference Asset through OTC derivatives including but not limited to the discretion of the sponsor of such Reference Asset to modify its features or characteristics from time to time. Any material change in a Reference Asset will be reflected in any updated Supplement.

Index Tracking Risk

There is no guarantee that the investment objective of the Sub-Fund will be achieved. The total return on investment in the Shares of the Sub-Fund may be reduced by currency hedging inefficiencies, cost and expenses disclosed in the Sub-Fund's Supplement and rebalancing of exposure to the Index.

An extensive outline of the risk factors applicable to the Sub-Fund may be found under section 8 "Risk Factors" in the Prospectus.

9. Base Currency

The Base Currency of the Sub-Fund is the USD.

10. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

11. Valuation Day

The Valuation Day of the Sub-Fund will be each Banking Day which is also an Index Business Day.

12. Dealing Day

The Dealing Day of the Sub-Fund will be each Banking Day which is also an Index Business Day.

Shares in the Sub-Fund may be subscribed, redeemed or converted on each Dealing Day. The Dealing Deadline is 5:00 p.m. Luxembourg time on the Banking Day prior to the relevant Dealing Day.

13. Launch Date

The Sub-Fund has not been launched yet. This Supplement will be updated once the launch date has been determined.

14. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the Summary of Shares table below. The fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Management Company, in its capacity as Investment Manager, will receive an **Investment Management Fee** of up to 1.85% per annum of the Net Asset Value of the relevant Share Class (as specified in the Summary of Shares table below). The Investment Management Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and will be paid monthly in arrears.

(ii) the Management Company will receive a Distribution Fee of up to 1.85% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the Summary of Shares table below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the Summary of Shares table below) of the Net Asset Value of the relevant Share Class. The Administrative and Operating Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and shall be payable monthly in arrears.

15. Investment Manager

The Sub-Fund is managed by the Management Company.

16. Shares

Share classes are as described in the Summary of Shares table below.

Any Share Class which is denominated in a currency which is not the Base Currency of the Sub-Fund will aim to hedge the currency exposure of such Class.

Summary of Shares

Name	B	C	D	E	Z
Type	Institutional	Retail	Institutional	Institutional	Retail
Availability	Available to all Institutional Investors	Available to all investors	Only available to Institutional Investors until such time as the Net Asset Value of the Sub-Fund is greater than or equal to USD 100M	Available to all Institutional Investors	Only available to appointed sub-distributors
Participation Level in the Index	100%	100%	100%	100%	100%
Net Leverage*	5 x	5 x	5 x	5 x	5 x
Initial Subscription Price	€100.00 or $100.00 or ¥100.00 or £100.00	€100.00 or $100.00 or ¥100.00 or £100.00	€100.00 or $100.00 or £100.00 or ¥100.00	€100.00 or $100.00 or £100.00 or ¥100.00	€100.00 or £100.00
Minimum Initial Subscription Amount	€1,000,000 or $1,000,000 or ¥100,000,000 or £1,000,000	€10,000 or $10,000 or ¥1,000,000 or £10,000	€5,000,000 or $7,500,000 or £5,000,000 or ¥500,000,000	€30,000,000 or $50,000,000 or £ 30,000,000 or ¥4,000,000,000	€1,000.00 or £1,000.00
Combined Investment Management and Distribution Fee	0.85% p.a. **	1.85% p.a. **	0.60% p.a. **	0.60% p.a. **	0.85% p.a.**
Administrative and Operating Fee	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.
Sales Charge	None	up to 5%	None	None	Up to 5%
Redemption Charge	None	up to 3%	None	None	None
Total Return Bloomberg Code	MLCXAF5T	MLCXAF5T	MLCXAF5T	MLCXAF5T	MLCXAF5T

* (i.e. the level of participation of the Share Class (e.g. 100% or 5/5ths) multiplied by the leverage inherent in the Index (5))

** Investors should note that the index embeds hedging costs of 1.65% p.a.

Bloomberg Commodity Index Family

The Bloomberg Commodity Index^{SM} was created by AIG International Inc. in 1998 and acquired by UBS Securities LLC (collectively with its affiliates, "UBS") in May 2009, at which time UBS and Dow Jones & Company, Inc. ("Dow Jones") entered into an agreement (the "Joint Marketing Agreement") to jointly market the index. The Joint Marketing Agreement with Dow Jones was terminated in 2014 as UBS entered into a Commodity Index License Agreement (the "CILA") with Bloomberg Finance L.P. (collectively with its affiliates, "Bloomberg"). Under the CILA, Bloomberg, on behalf of UBS, calculates the Bloomberg Commodity Index^{SM} and its varieties (collectively, the "Bloomberg Commodity Index Family"). The Bloomberg Commodity Index Family includes indices on an excess return and total return basis, non-U.S. dollar denominated indices, spot price indices, single commodity indices, sector commodity indices, and one-month, two-month and three-month forward versions, and selected sub-indices on an excess return and total return basis.

The indices were rebranded from the "Dow Jones-UBS Commodity Index Family" to the "Bloomberg Commodity Index Family" on July 1, 2014, and their tickers were changed from "DJUBS" tickers to "BCOM" tickers. Both sets of tickers were available until July 31, 2014, and DJUBS tickers were discontinued thereafter. Bloomberg has replaced Dow Jones as the index administrator, and is responsible for the methodology, calculation, distribution and licensing of the indices.

General

The Bloomberg Commodity Index^{SM}, previously known as Dow Jones-UBS Commodity Index ^{SM}, is a proprietary index that is designed to provide a liquid and diversified benchmark for commodities investments. The Bloomberg Commodity Index^{SM} was established on July 14, 1998. The Bloomberg Commodity Index^{SM} is currently composed exclusively of regulated futures contracts. A commodity futures contract is an agreement that provides for the purchase and sale of a specified type and quantity of a commodity during a stated delivery month for a fixed price. The 24 commodities that are eligible for inclusion in the Bloomberg Commodity Index^{SM} (the "BCOM Index Commodities") are as follows: aluminum, cocoa, coffee, copper, corn, cotton, crude oil (WTI and Brent), gold, heating oil, lead, lean hogs, live cattle, natural gas, nickel, platinum, silver, soybean meal, soybean oil, soybeans, sugar, tin, unleaded gasoline, wheat and zinc. The 20 BCOM Index Commodities currently included in the Bloomberg Commodity Index^{SM} are as follows: aluminum, coffee, copper, corn, cotton, crude oil (WTI and Brent), gold, heating oil, lean hogs, live cattle, natural gas, nickel, silver, soybean meal, soybean oil, soybeans, sugar, unleaded gasoline, wheat and zinc. With the exception of several metals contracts (aluminum, lead, tin, nickel and zinc) that trade on the London Metals Exchange (the "LME") and the contract for Brent crude oil, each of the BCOM Index Commodities is the subject of at least one futures contract that trades on a U.S. exchange. The designated futures contracts (the "Designated Contracts") for the BCOM Index Commodities are set forth below in the section entitled "—Designated Contracts for Each BCOM Index Commodity." The actual BCOM Index Commodities currently included in the Bloomberg Commodity Index^{SM} are set forth below in the section "—Index Multipliers."

The Bloomberg Commodity Index^{SM} tracks what is known as a rolling futures position, which is a position where, on a periodic basis, futures contracts on physical commodities specifying delivery on a nearby date must be sold and longer-dated futures contracts on those physical commodities must be purchased. An investor with a rolling futures position is able to maintain an investment position in the underlying physical commodities without receiving delivery of those commodities. During the "roll period," which is the sixth through tenth Bloomberg Business Days (as defined below) of each month, the calculation of the Bloomberg Commodity Index^{SM} is gradually shifted from the use of the nearby dated futures contracts included in the Bloomberg Commodity Index^{SM} to longer-dated futures contracts (at a rate of 20% per Bloomberg Business Day during the roll period).

The methodology for determining the composition and weighting of the Bloomberg Commodity Index^{SM} and for calculating its level is subject to modification by a committee appointed to monitor and amend the procedures related to the Bloomberg Commodity Index^{SM} (the "Index Oversight Committee") at any time.

A "Bloomberg Business Day" means a day on which the sum of the Commodity Index Percentages (as described below under "—Annual Reweighting and Rebalancing of the Bloomberg Commodity Index^{SM}") for the BCOM Index Commodities that are open for trading is greater than 50%.

The Bloomberg Commodity Index^{SM} is computed on the basis of hypothetical investments in the basket of commodities included in the Bloomberg Commodity Index^{SM}. The Bloomberg Commodity Index^{SM} was created using the following four main principles:

Economic Significance: To achieve a fair representation of a diversified group of commodities to the world economy, the Bloomberg Commodity Index^{SM} uses both liquidity data and U.S. dollar-weighted production data in determining the relative quantities of included commodities. The Bloomberg Commodity Index^{SM} primarily relies on liquidity data, or the relative amount of trading activity of a particular commodity, as an important indicator of the value placed on that commodity by financial and physical market participants. The Bloomberg Commodity Index^{SM} also relies on production data as a useful measure of the importance of a commodity to the world economy.

Diversification: In order to provide diversified exposure to commodities as an asset class and to avoid disproportionate weighting in any one commodity or sector, diversification rules have been established, which are applied annually. In addition, the Bloomberg Commodity Index^{SM} is rebalanced annually on a price-percentage basis in order to maintain diversified commodities exposure over time.

Continuity: The Bloomberg Commodity Index^{SM} is intended to provide a stable benchmark, so that there is confidence that historical performance data is based on a structure that bears some resemblance to both the current and future composition of the Bloomberg Commodity Index^{SM}.

Liquidity: The inclusion of liquidity as a weighting factor helps to ensure that the Bloomberg Commodity Index^{SM} can accommodate substantial investment flows.

Designated Contracts for Each BCOM Index Commodity

A futures contract known as a Designated Contract is selected by Bloomberg as the reference contract for each BCOM Index Commodity. With the exception of several LME contracts, two Designated Contracts for crude oil and two Designated Contracts for wheat, BCOM has historically selected for each BCOM Index Commodity one Designated Contract that is traded in North America and denominated in U.S. dollars. It is possible that Bloomberg will in the future select more than one Designated Contract for additional commodities or may select Designated Contracts that are traded outside of the United States or in currencies other than the U.S. Dollar. The termination or replacement of a futures contract on an established exchange occurs infrequently. If a Designated Contract is terminated or replaced, a comparable futures contract would be selected, if available, to replace that Designated Contract. The Designated Contracts for the BCOM Index Commodities eligible for inclusion in the Bloomberg Commodity Index^{SM} are traded on the Chicago Board of Trade ("CBOT"), the Chicago Mercantile Exchange ("CME"), the Commodities Exchange (the "COMEX"), the Intercontinental Exchange (the "ICE"), the LME, the New York Board of Trade ("NYBOT"), and the New York Mercantile Exchange (the "NYMEX"), and are as follows:

BCOM Index Commodities	Designated Contracts and Price Quotes	2015 Target Weightings of Designated Contracts	Exchanges	Units
Aluminum	High Grade Primary Aluminum $/metric ton	4.5931580%	LME	25 metric tons
Cocoa	Cocoa $/metric ton	0.0000000%(1)	NYBOT	10 metric tons
Coffee	Coffee "C" cents/pound	2.2121760%	NYBOT	37,500 lbs
Copper (2)	Copper cents/pound	7.5375780%	COMEX	25,000 lbs
Corn	Corn cents/bushel	7.2463450%	CBOT	5,000 bushels
Cotton	Cotton cents/pound	1.5129990%	NYBOT	50,000 lbs
Crude Oil (Brent)	Brent Crude Oil $/barrel	7.1565050%	ICE	1,000 barrels
Crude Oil (WTI)	Light, Sweet Crude Oil $/barrel	7.8434950%	NYMEX	1,000 barrels
Gold	Gold $/troy oz.	11.9041430%	COMEX	100 troy oz.
Heating Oil	Heating Oil cents/gallon	3.7609190%	NYMEX	42,000 gallons
Lead	Refined Standard Lead $/metric ton	0.0000000%(1)	LME	25 metric tons
Lean Hogs	Lean Hogs cents/pound	1.9397640%	CME	40,000 lbs
Live Cattle	Live Cattle cents/pound	3.3273920%	CME	40,000 lbs
Natural Gas	Henry Hub Natural Gas $/mmbtu	8.7397550 %	NYMEX	10,000 mmbtu
Nickel	Primary Nickel $/metric ton	2.1193960%	LME	6 metric tons
Platinum	Platinum $/troy oz.	0.0000000%(1)	NYMEX	50 troy oz.
Silver	Silver cents/troy oz.	4.2760540%	COMEX	5,000 troy oz.
Soybean Meal	Soybean Meal $/short ton	2.7453110%	CBOT	100 short tons
Soybean Oil	Soybean Oil cents/pound	2.8129680%	CBOT	60,000 lbs
Soybeans	Soybeans cents/bushel	5.6812590%	CBOT	5,000 bushels
Sugar	World Sugar No. 11 cents/pound	3.9956530%	NYBOT	112,000 lbs
Tin	Refined Tin $/metric ton	0.0000000%(1)	LME	5 metric tons
Unleaded Gasoline (RBOB)	Reformulated Blendstock for Oxygen Blending cents/gallon	3.6928490%	NYMEX	42,000 gallons
Wheat (Chicago)	Soft Wheat cents/bushel	3.3276410%	CBOT	5,000 bushels
Wheat (KC HRW)	Hard Red Winter Wheat cents/bushel	1.1705090%	CBOT	5,000 bushels
Zinc	Special High Grade Zinc $/metric ton	2.4041340%	LME	25 metric tons

(i) Cocoa, Lead, Platinum and Tin are not included in the Bloomberg Commodity Index[SM] for 2015 because their CIPs are less than 0.4%.

(ii) The Bloomberg Commodity Index[SM] uses the high grade copper contract traded on the COMEX division of the NYMEX as the Designated Contract for copper, but uses COMEX prices for this Designated Contract and the LME copper contract volume data for purposes of index calculation. The Bloomberg Commodity Index[SM] incorporates volume data for the LME copper contract, as it is more actively traded than the COMEX high grade copper contract.

Commodity Groups

For purposes of applying the diversification rules discussed herein, each of the eligible BCOM Index Commodities is assigned to "Commodity Groups." The Commodity Groups, the commodities included in each Commodity Group and the 2015 target weighting of each Commodity Group are as follows:

Commodity Groups:	BCOM Index Commodities:	2015 Target Weightings by Commodity Group [(1)]:
Energy	Brent Crude Oil Heating Oil Natural Gas Unleaded Gasoline (RBOB) WTI Crude Oil	31.19%
Grains	Corn Soybean Meal Soybean Oil Soybeans Wheat	22.98%
Industrial Metals	Aluminum Copper Nickel Zinc	16.65%
Livestock	Lean Hogs Live Cattle	5.27%
Precious Metals	Gold Silver	16.18%
Softs	Coffee Cotton Sugar	7.72%

(1) Reflects the rounded weightings of the six Commodity Groups currently included in the Bloomberg Commodity Index^{SM}.

Index Multipliers

The following is a list of the BCOM Index Commodities included in the Bloomberg Commodity Index^{SM} for 2015, as well as their respective Index Multipliers for 2015:

BCOM Index Commodities	2015 Index Multipliers
Aluminum	0.084972750
Brent Crude Oil	4.526072990
Coffee	41.696439590
Copper	90.157164090
Corn	60.338032310
Cotton	82.609017730
Gold	0.324416550
Heating Oil	74.061236610
Lean Hogs	80.682663300
Live Cattle	66.175768510

BCOM Index Commodities	2015 Index Multipliers
Natural Gas	100.650524740
Nickel	0.004501340
Silver	8.527938720
Soybean Meal	0.255876090
Soybean Oil	279.892770670
Soybeans	17.746768250
Sugar	891.979231440
Unleaded Gasoline	88.510581900
Wheat (Chicago)	18.946301220
Wheat (KC HRW)	6.229088190
WTI Crude Oil	5.272862920
Zinc	0.037258420

Index Oversight and Advisory Committees

Bloomberg established an internal Index Oversight Committee to comply with the "19 Principles for Financial Benchmarks" as published by the International Organization of Securities Commissions. The committee consists of senior representatives from various Bloomberg business units. The purpose of the Index Oversight Committee is to discuss and review all aspects of the benchmark process. Additionally, an external advisory committee appointed by the Index Oversight Committee (the "Index Advisory Committee") will convene to provide Bloomberg with guidance and feedback from the investment community on index products and processes. The Index Advisory Committee will help set index priorities and discuss potential rules changes.

Annual Reweighting and Rebalancing of the Bloomberg Commodity Index^{SM}

The composition of the Bloomberg Commodity Index^{SM} is rebalanced by Bloomberg each year pursuant to the procedures set forth in its methodology under the supervision of the Index Oversight Committee and is approved by the Index Oversight Committee in consultation with the Index Advisory Committee. Once approved by the Index Oversight Committee, the new composition is publicly announced, and takes effect in January immediately following the announcement. The weightings will be determined by the Index Oversight Committee, which has a significant degree of discretion in exercising its supervisory duties with respect to the Bloomberg Commodity Index^{SM}. Bloomberg will calculate the CIPs for each year in the third or fourth quarter of the previous year under the supervision of the Index Oversight Committee. The results will be publicly announced as promptly as practicable, and takes effect in January of the effective year.

For each commodity designated for potential inclusion in the Bloomberg Commodity Index^{SM}, liquidity is measured by the commodity liquidity percentage (the "CLP") and production is measured by the commodity production percentage (the "CPP"). The CLP for each Designated Contract is determined by taking a five-year average of the product of the trading volume and the historic U.S. dollar value of that Designated Contract, and dividing the result by the sum of such products for all futures contracts selected as a reference contract for a commodity designated for potential inclusion in the Bloomberg Commodity Index^{SM}. The CPP is determined for each commodity by taking a five-year average of production figures, adjusted by the historic U.S. dollar value of the applicable Designated Contract, and dividing the result by the sum of such products for all the commodities which were designated for potential inclusion in the Bloomberg Commodity Index^{SM}. The CLP and CPP are then combined (using a ratio of 2:1) to establish the Commodity Index Percentage (the "CIP") for each commodity. The CIP is then adjusted in accordance with the diversification rules described below in order to determine the commodities which will be included in the Bloomberg Commodity Index^{SM} and their respective percentage weights.

To ensure that no single commodity or commodity sector dominates the Bloomberg Commodity Index^{SM}, the following diversification rules are applied to the annual reweighting and rebalancing of the Bloomberg Commodity Index^{SM} as of January of the applicable year:

(i) No single commodity may constitute more than 15% of the Bloomberg Commodity Index^{SM};

(ii) No single commodity, together with its derivatives (e.g., crude oil, together with heating oil and unleaded gasoline), may constitute more than 25% of the Bloomberg Commodity IndexSM

(iii) No related group of commodities designated as a Commodity Group (e.g., energy, precious metals, livestock or grains) may constitute more than 33% of the Bloomberg Commodity IndexSM; and

(iv) No single commodity (e.g., natural gas or silver) may constitute less than 2% of the Bloomberg Commodity IndexSM.

The last rule above helps to increase the diversification of the Bloomberg Commodity Index^{SM} by giving even the smallest commodity within the basket a reasonably significant weight. Commodities with small weights initially may have their weights increased to higher than 2%. In addition to the above rules, the Bloomberg Commodity Index^{SM} is re-balanced annually on a price-percentage basis in order to maintain diversified commodities exposure over time.

On the fourth Bloomberg Business Day of the month of January following the calculation of the CIPs, the CIPs are combined with the settlement prices of all of the Designated Contracts for such day to create the Commodity Index Multiplier (the "CIM") for each Designated Contract. These CIMs remain in effect throughout the ensuing year. As a result, the observed price percentage of each Designated Contract will float throughout the year until the CIMs are reset the following year based on new CIPs.

Computation of the Bloomberg Commodity Index^{SM}

Bloomberg calculates the Bloomberg Commodity Index^{SM} by applying the impact of the changes to the prices of the Designated Contracts (based on their relative weightings). Once the CIMs are determined as discussed above, the calculation of the Bloomberg Commodity Index^{SM} is a mathematical process whereby the CIMs for the BCOM Index Commodities are multiplied by the respective prices in U.S. dollars for the applicable Designated Contracts. These products are then summed. The daily percentage change in this sum is then applied to the prior day's level of the Bloomberg Commodity Index^{SM} to calculate the current level of the Bloomberg Commodity Index^{SM}.

Month Forward Versions of the Bloomberg Commodity Index^{SM}

The month forward version of the Bloomberg Commodity Index^{SM} follows the methodology of the Bloomberg Commodity Index^{SM}, except that the futures contracts used for calculating the month forward version index are advanced, as compared to the Bloomberg Commodity Index^{SM}, such that the delivery months for the reference contracts are later than those of the corresponding reference contracts used for the Bloomberg Commodity Index^{SM}. The Bloomberg Commodity Index Family currently includes a one-month forward version, a two-month forward version and a three-month forward version.

License Agreement

Merrill Lynch, Pierce Fenner & Smith Incorporated has entered into a non-exclusive license agreement licensing to them and to certain of their affiliated or subsidiary companies, in exchange for a fee, the right to use the Bloomberg Commodity Index Family, which is owned and published by Bloomberg, in connection with certain products, including the Sub-Fund.

The license agreement provides that the following language must be set forth in this Supplement:

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This Supplement relates only to the Sub-Fund and does not relate to the exchange-traded physical commodities underlying any of the index components. Purchasers of the Shares of the Sub-Fund should not conclude that the inclusion of a futures contract in the Bloomberg Commodity Index℠ is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates. The information in this Supplement regarding the index components has been derived solely from publicly available documents. None of Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates has made any due diligence inquiries with respect to the index components in connection with the Sub-Fund. None of Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates makes any representation that these publicly available documents or any other publicly available information regarding the index components, including without limitation a description of factors that affect the prices of such components, are accurate or complete.

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TWELFTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – FENICIAN EQUITY LONG SHORT UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – FENICIAN EQUITY LONG SHORT UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Process

1.1 Investment Objective

The investment objective of the Sub-Fund is to provide investors with consistent absolute returns with low volatility. The Sub-Fund will seek to preserve capital through the use of various risk management techniques

The Sub-Fund will be managed by Fenician Capital Management LLP (the "Investment Manager" or "Fenician").

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Policy

The Sub-Fund will invest in a wide range of financial instruments, including equities, listed options, futures, contracts for difference, foreign exchange and other derivative instruments. This will be achieved primarily through investments and trading in equities and related financial instruments of companies incorporated or whose principal operations are in Europe.

The Sub-Fund's assets may also be invested in equities and related financial investments of companies incorporated or whose principal operations are outside Europe, including, North and South America and Asia.

Derivative instruments may also be used for hedging purposes.

The Investment Manager may attempt to respond to adverse market, economic, political or other conditions and the Sub-Fund may, from time to time, for defensive purposes, in order to preserve capital, invest a substantial portion of its assets in cash or cash equivalents, including money market instruments such as Treasury bills and other short-term obligations of the United States Government; it may also invest in bonds, including but not limited to German Government Bonds; where such investment is considered appropriate to the investment objective of the Sub-Fund.

The Sub-Fund's equity exposure will be confined to equities listed or traded on a Regulated Market.

1.3 Investment Process

The Sub-Fund employs an equity long/short trading strategy which aims to exploit short term market trends, special situations, technical analysis and event driven opportunities. It attempts to deliver returns with a low correlation to the equity markets.

The selection of a potential position for the portfolio will be based upon macro-economic and fundamental analysis by the Investment Manager. At the stock level, the focus will be on company earnings, corporate activity, Initial Public Offerings ("IPO's"), holding company discounts, index rebalances, share class arbitrage and taking advantage of valuation discrepancies.

At the market level, the focus will be on thematic trades, index and stock option expiries and directional views on the market. In addition, technical analysis of historical price and volume data will be employed to identify suitable points in the market where target positions may be opened or closed.

Investment and trading opportunities occur frequently and the most interesting trades with the best risk / reward profile will be included; this will qualify them as being a long or short position in the portfolio respectively.

The portfolio will be a combination of both investment and trading opportunities, with a bias towards more trading opportunities.

The Sub-Fund will generally have a market exposure which can be either net long or net short depending upon market conditions. The degree to which the Sub-Fund is either net long or net short will be determined by the extent of the investment opportunities identified by the Investment Manager. The Investment Manager will monitor global events for corporate actions, arbitrage, index rebalancing and flow imbalances in addition to the macroeconomic analysis and theme identification.

Integral to the investment approach is the risk management discipline of the Investment Manager. This will be employed to monitor the portfolio, to manage and control volatility and to preserve capital. The Investment Manager will seek to hedge the foreign currency exposure of the Sub-Fund to currencies other than the base currency through the use of spot and forward foreign exchange contracts.

1.4 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. Risk Management

The Sub-Fund may only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the Relevant Circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

As specified in section 11.6 “Risk Manager” of the Prospectus, the Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund, and may, as the case may be, give instructions at any time to the Investment Manager with a view to complying with the investment restrictions as set forth in Section 6 “Investment Restrictions” of the Prospectus.

The risk management is also embedded into the investment management function performed by the Investment Manager. While the Investment Manager does not set limits for maximum industry, sector or geographic exposure, it monitors concentrations from a risk management perspective.

Actively tracking and managing correlations between investments is an important element of the risk management approach and it is closely monitored by the risk manager (“Risk Manager”) and the portfolio managers. The Investment Manager will use quantitative and qualitative methods to estimate the level of risk for the Sub-Fund. This is managed and monitored on an ongoing basis by the Risk Manager who analyses portfolio data using a combination of in-house risk systems and external vendor-type software.

The Investment Manager has developed a risk management methodology which focuses on the preservation of capital and portfolio diversification. Comprehensive scenario analysis and stress testing is conducted, producing reports which are reviewed regularly.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund’s assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 0% to 250% of the Sub-Fund's NAV. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 0% to 250% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 70% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

3. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to a basket of transferable securities and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their investment.

In addition to the information set forth in this section 5, investors should carefully review the "Risk Factors" in Section 8 of the Prospectus, more specifically Section 8.1.9 "Leverage", Section 8.2.6 "Market Liquidity and Leverage" and Section 8.5 "Use of Derivatives", prior to investing in the Sub-Fund.

The success of the Sub-Fund's activities are affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Sub- Fund's investments. Volatility or illiquidity could impair the Sub-Fund's profitability or result in losses.

Trading Costs

The investment approach and trading strategy of the Sub-Fund may generate higher transaction costs which will be borne by the Sub-Fund.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

4. Base Currency

The Base Currency of the Sub-Fund is the Euro.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "shares and other financial assets' UCIs" type.

6. Dealing Day

The Dealing Day of the Sub-Fund will be every Banking Day.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day.

7. Launch Date

The Sub-Fund was launched on 15th July 2014.

8. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below).

(ii) the Management Company will receive a **Distribution Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) for all Share Classes with the exception of the I Share Class (as further described in section 11 "Shares" below) the Investment Manager will receive a **Performance Fee** of up to 20% of New Net Appreciation (as specified in the table Summary of Shares below).

The Performance Fee is calculated by reference to each Share Class' High Water Mark. The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

The Performance Fee will be calculated in respect of each period of twelve months beginning on 1st January and ending on the following 31st December (a Calculation Period). The first Calculation Period ended on 31st December 2014. The Performance Fee will be calculated and accrued daily as an expense of the relevant Share Class and will be payable to the Investment Manager in arrears within seven Banking days of the end of each Calculation Period.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

(iv) for the I share class only, the Investment Manager will receive a **Performance Fee** which will be payable out of the assets of the Sub-Fund and calculated on the basis that for each I Share issued to Shareholders, that Shareholder is charged a performance fee which equates with the issued I Share's performance.

An "I Shareholder Performance Period" with respect to a Shareholder means the period beginning on either the closing date of such Shareholder's initial purchase of I Shares or the first day following the last day of the immediately preceding an I Shareholder Performance Period, as the case may be, and ending on the last annual Valuation Day or the earlier of: (i) the dates of any redemptions, including compulsory redemptions (in whole or in part) of I Shares, and (ii) the date on which the Sub-Fund terminates.

The Performance Fee in respect of the each issued I Share only, will be equal to 20 per cent of the increase in the Net Asset Value per I Share in each case in excess of the high water mark (hereinafter called the "I Share Class High Water Mark"). The I Share Class High Water Mark at any Valuation Day will be the greater of:

(1) The highest Net Asset Value per I Share on the last day of any preceding I Shareholder Performance Period; or

(2) The Initial Subscription Price per Share at the end of the Initial Offering Period.

The use of the I Share Class High Water Mark ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

The Performance Fee is payable annually in arrears in respect of each I Shareholder Performance Period. The Performance Fee will accrue daily and be taken into account in the calculation of the Net Asset Value per I Share as at each Valuation Day. In the event that a Shareholder redeems I Shares prior to the end of an I Shareholder Performance Period, the amount of any accrued but unpaid Performance Fee in respect of such I Shares will be paid to the Investment Manager promptly thereafter.

The Performance Fee in respect of each I Shareholder Performance Period will be calculated by reference to the Net Asset Value per I Share before the deduction of any accrued Performance Fees.

(v) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

9. Investment Manager

FENICIAN Capital Management LLP a Limited Liability Partnership company, is incorporated under the laws of England and Wales on 3rd December 2004. The Investment Manager is regulated by the Financial Conduct Authority in the United Kingdom.

Corrado Abbattista founded the Investment Manager and has over 20 years of financial markets experience and together with Geoffroy Houlot and Andrew Crane constitute the Senior Partners for the Investment Manager. The operations are conducted from their head office in London.

10. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table below.

The I Share Class shall not launch until a minimum initial subscription of USD 20 million (or equivalent) has been received. Following the I Share Class launch and receipt of the minimum initial subscription of USD 20 million, the minimum subscription amount will be as per the standard terms for institutional share classes as set out in section 10.5 of the Prospectus.

Summary of Shares

Class	B	C	D	I	Z	Management	Institutional Seed	Retail Seed
Type	Institutional	Retail	Institutional	Institutional	Retail	Retail	Institutional	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) $100mm AUM or (b) a date to be decided by the Management Company in conjunction with the Investment Manager	Available to all Institutional Investors	Only available to appointed Distributors	Available only to the employee of the Investment Manager or an immediate family member of such management employee who shall remain at all time the ultimate beneficial owners of the Shares in the Sub-Fund	Available to Institutional Investors only during the initial offering period of the Sub-Fund	Available to retail investors only during the initial offering period of the Sub-Fund
Combined Investment Management and Distribution Fee	1.5% p.a.	2.25% p.a	1% p.a.	1.5% p.a.	1.5% p.a.	0 % p.a.	1%	1%
Performance Fee	20% of New Net Appreciation	20% of New Net Appreciation	15% of New Net Appreciation	20% of New Net Appreciation	20% of New Net Appreciation	0% of New Net Appreciation	10% of New Net Appreciation	10% of New Net Appreciation
Benchmark	None	None	None	None	None	None	None	None
Sales charge	None	Up to 5%	None	None	Up to 5%	None	None	None
Redemption charge	0%	0%	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

THIRTEENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – ZEAL GREATER CHINA LONG SHORT UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – ZEAL GREATER CHINA LONG SHORT UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Strategy

1.1 Investment Objective

The Investment Objective of the Sub-Fund is to generate long-term risk adjusted returns through investments in different asset classes of companies predominantly established or operating within the Greater China area, which includes the People's Republic of China (PRC), including Hong Kong and Macau, and also Taiwan, by implementing a long-short equity strategy.

The Sub-Fund will be managed by Zeal Asset Management Limited (the "Investment Manager").

There can be no assurance that the Sub-Fund will achieve its Investment Objective.

1.2 Investment Policy

The Sub-Fund seeks to achieve the Investment Objective primarily through investing in securities issued by companies established in Greater China or which derive a significant proportion of their revenue from business related to activity in Greater China by investing directly in, or trading with, Greater China. The Sub-Fund may also invest in securities issued by companies incorporated outside Greater China that have significant assets, business, production, trading activity or other interests in Greater China. The Sub-Fund may also, to a lesser extent, invest in securities which are not related to Greater China from time to time where opportunities can be identified.

The Sub-Fund will generally invest in securities issued by companies that the Investment Manager believes are being under-valued by the market and short in securities that the Investment Manager believes are being over-valued by the market. This can be due to a number of reasons, such as lack of research coverage and misunderstanding of the company's fundamentals. Investments will be selected by the Investment Manager on an opportunistic basis and not defined by predetermined allocation levels to sectors or to geographical locations within Greater China.

The Sub-Fund has flexibility to invest in a wide range of instruments including, but not limited to, listed equities, preferred stocks, convertible securities, equity-related instruments, debt securities and obligations (which may be below investment grade), currencies, futures (including index futures), options, warrants, swaps and other derivative instruments. In addition, the Sub-Fund may engage in short sales via the use of derivatives instruments. Derivative instruments may be exchange-traded or over-the-counter.

With respect to securities issued by China mainland incorporated companies and traded on the exchanges in China mainland, the Sub-Fund will invest in China B-Shares* and/or China A-shares*. Exposure to China A-Shares and China B-Shares may be obtained in different ways, including indirect exposure, such as through investing in exchange traded funds, other funds that invest in the relevant listed shares and/or derivatives instruments, and direct exposure, in the case of China A-Shares, such as via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and/or other relevant programmes when they become available.

The Sub-Fund may engage in short sales via the use of derivatives. The Sub-Fund may retain amounts in cash or cash equivalents (including money market funds), for risk management purposes or as otherwise considered appropriate to achieve its Investment Objective.

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the Circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

* China B-Shares are stocks of companies that are based in mainland China and that are traded on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange and are eligible for foreign investment.

* China A-Shares are stocks of companies that are based in mainland China and that are traded on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange. Shanghai–Hong Kong Stock Connect and Shenzhen–Hong Kong Stock Connect are programmes that allow foreign investors to trade A-Shares on the Shanghai Stock Exchange and Shenzhen Stock Exchange via Hong Kong brokers. The Qualified Foreign Institutional Investors access scheme is a scheme that allows foreign institutional investor access to A-Shares subject to restrictions.

1.3 Investment Strategy

The Sub-Fund pursues a long short strategy investment approach, combining the principles of value investing, original fundamental research and bottom-up stock picking to generate superior long-term risk adjusted returns in companies predominantly located in or operating in the Greater China area.

The Investment Manager employs a bottom-up stock-picking approach whilst actively managing the Sub-Fund's long and short positions. When identifying possible investment opportunities, the Investment Manager takes both, bottom-up research findings as well as macro analysis into consideration. The Investment Manager mainly undertakes its own original research and company/securities analysis conducted by its investment team. In addition the Investment Manager may also utilize external sources such as broker research from time to time. Short derivative positions on individual stocks are mainly for alpha generation rather than for hedging. The active management of cash balances and usage of index futures or options are mainly, but not exclusively for hedging and risk management.

The Sub-Fund’s core investment philosophy is based on the principle of value investing which the Investment Manager believes is best described as investing in companies that from the Investment Manager’s perspective have a sound business model, run by the right management, and whose stock is trading at attractive valuation. The Investment Manager believes that value investing is not only based on valuation and that a company with a low valuation does not necessarily have value. The Investment Manager aims to understand the business and management of a company before it can determine the company’s value. To achieve this, the Investment Manager performs numerous company visits and corporate access meetings every year to identify investment opportunities. The Investment Manager believes that extensive on-site due diligence checks are key in achieving and maintaining an in-depth and accurate understanding of a company’s business and management, and through which can determine a company’s long term value. And central to the Investment Manager’s philosophy of value investing is the belief that stock prices should eventually reflect the true value of companies. However, the market may in the short run fail to properly reflect the intrinsic value of a company. The Investment Manager attributes this to a number of factors such as lack of research coverage, a lack of understanding about the fundamentals of the company and market sentiment in general. The Investment Manager will generally invest in securities which it believes are being under-valued by the market and short in securities which it believes are being over-valued by the market **.**

The Investment Manager strives to discover and exploit these investment opportunities arising from market inefficiencies primarily in the Greater China area through rigorous value-style on-the-ground fundamental research and bottom-up stock picking. The Sub-Fund aims to generate absolute return in the long-term that may not be correlated to the performance of major indices. Individual positions are weighted according to the Investment Manager's level of conviction on the ability to return positive performance. The Investment Manager will take into consideration a number of factors when making investments on behalf of the Sub-Fund, which will include, but not limited to liquidity, market capitalization and trading volume of underlying securities. There are loss-alert limits for long positions and cut-loss limits for short positions.

1.4 FX Hedging

In order to neutralise, as far as possible the impact of foreign exchange fluctuations, the Investment Manager may seek to hedge the foreign exchange exposure of the Shares denominated in currencies other than the U.S. Dollar, to the U.S. Dollar.

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund.

For further information on risk management, investors should refer to section 11.6 of the Prospectus “Risk Manager”.

In addition, the Investment Manager has put in place robust systems and process to create a rigorous risk framework that allows him to monitor the various aspects of risk from market risk to operational risk. A clear segregation of duties with an independent risk committee oversight, allows the timely monitoring, identification, escalation and resolution of issues.

At the portfolio level, the Investment Manager operates a number of soft limits in addition to the UCITS guidelines.

3. Risk Profile

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund’s assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund’s expected level of leverage will generally vary from 0% to 170% of the Sub-Fund’s NAV. Based on the commitment approach, the Sub-Fund’s expected level of leverage will generally vary from 0% to 70% of the Sub-Fund’s NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund’s exposure to Total Return Swaps is expected to represent 30% of its Net Asset Value and will not exceed 70% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

4. Specific Risk Warnings

The value of the Sub-Fund's assets is linked to a portfolio of securities, cash instruments, currencies and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. Investors should also refer to the "Risk Factors" in Section 8 of the Prospectus of the Company, in particular section 8.4.6. "Directional Trading", as well as the "Information required by the securities laws of certain jurisdictions" in Section 19 of the Prospectus of the Company as the Sub-Fund will be investing in securities in Greater China.

The success of the Sub- Fund's activities are affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Sub- Fund's investments. Volatility or illiquidity could impair the Sub Fund's profitability or result in losses.

Risks associated with investing in the PRC

Disclosure and Accounting Standards: Disclosure, accounting and regulatory standards in the PRC are in many respects less stringent than standards in certain countries with more developed securities markets, and there may be less publicly available information about companies than is regularly published by or about companies in many other countries. Companies in the PRC are subject to accounting standards and disclosure requirements that differ in significant respects from those applicable to companies in many countries with more developed securities markets.

Foreign Exchange Controls: The PRC government still imposes exchange controls making it impossible to freely convert local currency into other currencies. The imposition of currency controls by the government may negatively impact performance and liquidity in the Sub-Fund as capital may become trapped in the PRC.

Political and Economic Considerations: The Sub-Fund may be affected by political and economic developments in or affecting the PRC, including changes in government policy, taxation and social, ethnic and religious instability. The economy of the PRC may differ favorably or unfavorably from the economies in more developed countries in such respects as gross domestic product, rates of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. The PRC economy is heavily dependent upon international trade and, accordingly, has been and may continue to be adversely affected by trade barriers, exchange controls, and other protectionist measures imposed or negotiated by the countries with which they trade. Expropriation, confiscatory taxation, nationalization or other developments could also adversely affect the assets of the Sub-Fund.

Regulation: PRC regulations under which non-resident investors, such as the Sub-Fund, can invest directly into equity and debt securities of domestic companies, are new, evolving and untested judicially. In addition, the supporting regulatory framework, such as applicable tax codes and foreign exchange regulations, have not yet been specifically amended or clarified with regard to their application to foreign investors and investments held by foreign investors. Therefore, these regulations and the underlying legislation may be amended, clarified, interpreted by judicial or administrative ruling or superseded in the future. Such alterations could impact adversely on the Sub-Fund's operation and performance.

Securities Markets: The stock exchanges and markets in the PRC have experienced significant fluctuations in the prices of securities, and no assurance can be given that such volatility will not continue in the future. The PRC securities markets are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. The PRC regulatory authorities have only recently been given the power and duty to prohibit fraudulent and unfair trade practices relating to securities markets, including insider trading and market abuse, and to regulate substantial acquisitions of shares and takeovers of companies.

Risks associated with PRC taxation

By investing in securities (including B-Shares as mentioned above) issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore, the Sub-Fund may be at risk of being subject to PRC taxes.

There is a possibility that the current tax laws, rules, regulations and practice in the PRC and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. The Sub-Fund could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any of those changes may reduce the income from, and/or the value of, the relevant investments in the Sub-Fund, meaning the Sub-Fund's net asset value will be adversely affected. In this case, the existing and subsequent investors will be disadvantaged as they will bear for a disproportionately higher amount of tax liabilities as compared to the liability at the time of investment in the Sub-Fund.

The Investment Manager has not made and currently has no intention to make provision in respect of potential tax liability on gains on trading of B-shares. However, this approach may be changed if, in the opinion of the Investment Manager, a provision is warranted.

Risks Associated with investments through Shanghai–Hong Kong Stock Connect and Shenzhen–Hong Kong Stock Connect

As the Shanghai–Hong Kong Stock Connect and Shenzhen–Hong Kong Stock Connect are pilot programmes, there remains uncertainty regarding the application and interpretation of the relevant regulations, which are subject to change and which may have retrospective effect. The status of the Sub-Fund's beneficial interest in securities acquired through the programmes is untested and the Sub-Fund will be exposed to counterparty risk with respect to brokers and the Chinese central clearinghouse in relation to the handling of such securities under the programme. Investors should refer to section 8.4.18 "Trading in securities through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect".

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "shares and other financial assets' UCIs" type.

7. Dealing Day

The Dealing Day of the Sub-Fund will be every Banking Day which is also a Hong Kong Business Day.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day.

8. Launch Date

The Sub-Fund was launched on 29th August 2014.

9. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2.50% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

(ii) the Management Company will receive a **Distribution Fee** of up to 2.50% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee** of 15% of New Net Appreciation in respect of Institutional and Retail Share Classes. The Management Share Classes do not charge a Performance Fee. The Performance Fee is calculated by reference to each Share Class' High Water Mark. The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such share class.

(iv) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

10. Investment Manager

The Sub-Fund will be managed by Zeal Asset Management Limited, a Limited company organized under the laws of Hong Kong and incorporated on 13th August 2009. The Investment Manager is registered with both the Hong Kong Securities and Futures Commission (SFC) and US Securities and Exchange Commission (SEC).

11. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table below.

Summary of Shares

Class	B	C	D	Z	Management
Type	Institutional	Retail	Institutional	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) the Net Asset Value of the Sub-Fund is greater than or equal to $100 million or (b) as otherwise decided by the Management Company	Available to appointed distributors only	Available only to the employee of the Investment Manager or an immediate family member of such management employee who shall remain at all time the ultimate beneficial owners of the Shares in the Sub-Fund
Minimum Initial Subscription Amount	€ 1,000,000 or $1,000,000 or £1,000,000 or 8,000,000 HKD or 6,000,000 RMB	€ 1,000 or $ 1,000 or £1,000 or 8,000 HKD or 6,000 RMB	€ 1,000,000 or $1,000,000 or £1,000,000 or 8,000,000 HKD or 6,000,000 RMB	€ 1,000 or £1,000 or $ 1,000 or 8,000 HKD or 6,000 RMB	$ 1,000
Combined Investment Management and Distribution Fee	1.75% p.a.	2.50% p.a	1.25% p.a.	1.75 % p.a.	0 % p.a.
Performance Fee	15% of New Net Appreciation	15% of New Net Appreciation	15% of New Net Appreciation	15% of New Net Appreciation	0% of New Net Appreciation
Benchmark	None	None	None	None	None
Sales charge	None	Up to 5%	None	Up to 5%	None
Redemption charge	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

FOURTEENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – GOTHAM U.S. EQUITY LONG/SHORT UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – GOTHAM U.S. EQUITY LONG/SHORT UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Strategy

1.1 Investment Objective

The investment objective of the Sub-Fund is to generate long-term capital appreciation primarily through long and short investments in U.S. equity securities.

The Sub-Fund will be managed by Gotham Asset Management, LLC (the "Investment Manager").

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Policy

The Sub-Fund seeks to achieve the investment objective primarily through investing in common stocks listed on one of the major U.S. stock exchanges and in derivatives instruments linked to such common stocks.

The Sub-Fund has flexibility to invest in a wide range of instruments including, but not limited to, common stocks, preferred stocks, convertible securities, equity-related instruments, warrants, swaps and other derivative instruments. In addition, the Sub-Fund may engage in short sales via the use of derivatives instruments. Derivative instruments may be exchange-traded or over-the-counter.

The Sub-Fund may retain amounts in cash or cash equivalents (including money market funds) for risk management purposes or as otherwise considered appropriate to achieve its investment objective.

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

1.3 Investment Strategy

The Sub-Fund pursues a value oriented long/short equity strategy, combining the principles of value investing, fundamental research and bottom-up stock picking. The Investment Manager believes that while individual stocks gravitate toward fair value over longer periods of time, they frequently trade at significant deviations from fair value in the short term. Temporary mispricings in the market occur on an ongoing basis for several reasons including emotion, judgment errors, and investors' inability to tolerate short-term underperformance.

In order to take advantage of these inefficiencies, the Investment Manager evaluates companies according to its proprietary analytical framework. Such proprietary analytical framework is based on fundamental measures of performance derived from publicly available financial data. This process compares and ranks stocks within its research universe from the most undervalued to the most overvalued based on the Investment Manager's assessment of value. Long portfolios are constructed from the most undervalued stocks, while short portfolios are composed of the most overvalued stocks, subject to pre-specified risk and diversification constraints.

In order to implement the above, the analyst team of the Investment Manager:

- researches and analyzes each company in its coverage universe according to the proprietary methodology that emphasizes fundamentals such as recurring earnings, capital efficiency and valuation;
- identifies and excludes companies that do not conform to the Investment Manager's valuation methodology and companies judged to have questionable financial reporting;
- updates the analysis for earning releases, annual (Form 10-K) and quarterly (Form 10-Q) reports and other corporate filings; and
- records the analysis in a centralized database enabling the Investment Manager to compare companies and identify longs and shorts on a daily basis based on proprietary valuations.

The Sub-Fund’s portfolio is generally weighted towards companies priced at the largest discount to the Investment Manager's assessment of value for long positions and the largest premium to value for short positions. In general, as a company appears cheaper its weight in the portfolio increases.

The Sub-Fund’s portfolio is adjusted and rebalanced daily to maintain exposure levels, manage risk and reflect ranking changes resulting from earnings releases and other new information related to particular companies.

1.4 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund.

For further information on risk management, investors should refer to section 11.6 of the Prospectus “Risk Manager”.

In addition, the Investment Manager has implemented proprietary systems and developed processes to monitor and manage the Sub-Fund’s investment risks.

3. Risk Profile

In accordance with the CSSF Circular the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund’s assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund’s expected level of leverage will generally vary from 50% to 190% of the Sub-Fund’s NAV. Based on the commitment approach, the Sub-Fund’s expected level of leverage will generally vary from 70% to 90% of the Sub-Fund’s NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 90% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

4. Specific Risk Warnings

The value of the Sub-Fund's assets is linked to a portfolio of securities, cash instruments, currencies and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. Investors should also refer to the "Risk Factors" in Section 8 of the Prospectus of the Company.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "shares and other financial assets' UCIs" type.

6. Dealing Day

The Dealing Day of the Sub-Fund will be every Banking Day.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day.

7. Launch Date

The Sub-Fund was launched on 15th December 2014.

8. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

(ii) the Management Company will receive a **Distribution Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee** of 15% of New Net Appreciation (as specified in the table Summary of Shares below) in respect of Institutional and Retail Share Classes. The Management Share Classes do not charge a Performance Fee. The Performance Fee is calculated by reference to each Share Class' High Water Mark. The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

(iv) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

9. Investment Manager

The Sub-Fund will be managed by Gotham Asset Management, LLC, a limited company organized under the laws of Delaware and incorporated on 2008. The Investment Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC).

10. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table below.

Summary of Shares

Class	B	C	D	X	Z	Management
Type	Institutional	Retail	Institutional	Institutional	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) the Sub-Fund's NAV being greater than or equal to $100 million, or (b) a date to be decided by the Directors in conjunction with the Investment Manager Share class closed to new investment. The Directors in conjunction with the Investment Manager may re-open this Class for further investment	Available to selected Institutional Investors	Available to appointed Distributors only	Available only to the employee of the Investment Manager or an immediate family member of such management employee who shall remain at all time the ultimate beneficial owners of the Shares in the Sub-Fund
Minimum Initial Subscription Amount	N/A	N/A	N/A	EUR 50,000,000 or USD 50,000,000 or GBP 50,000,000	N/A	N/A
Combined Investment Management and Distribution Fee	1.50% p.a.	2.25% p.a.	1.25% p.a.	Up to 1.5% p.a.	1.50% p.a.	0 % p.a.
Performance Fee	15% of New Net Appreciation	15% of New Net Appreciation	15% of New Net Appreciation	15% of New Net Appreciation	15% of New Net Appreciation	0% of New Net Appreciation
Benchmark	None	None	None	None	None	None
Sales charge	None	Up to 5%	None	None	Up to 5%	None
Redemption charge	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

FIFTEENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – PASSPORT CAPITAL GLOBAL EQUITY LONG SHORT UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – PASSPORT CAPITAL GLOBAL EQUITY LONG SHORT UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Strategy

1.1 Investment Objective

The investment objective of the Sub-Fund is to generate long-term capital appreciation primarily through long and short investments in global equity markets.

The Sub-Fund will be managed by Passport Capital, LLC (the "**Investment Manager**").

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Policy

The Sub-Fund seeks to achieve the investment objective by investing in global equity securities and in derivative instruments.

The Sub-Fund has flexibility to invest in a wide range of instruments including, but not limited to, common stocks, preferred stocks, equity-related instruments, ETFs, FX forwards, swaps, options and other derivative instruments. In addition, the Sub-Fund may engage in short sales via the use of derivative instruments. Derivative instruments may be exchange-traded or over-the-counter.

The Sub-Fund may retain amounts in cash or cash equivalents (including money market funds) for risk management purposes or as otherwise considered appropriate to achieve its investment objective.

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

1.3 Investment Strategy

The Investment Manager believes that, while global markets may be efficient in the short-term, they do not adequately take into account fundamental changes that occur over longer periods. By focusing on large, secular changes on a global basis, the Investment Manager seeks compelling investment opportunities and capitalizes on pricing inefficiencies.

The Sub-Fund pursues a long/short global equity strategy combining a top-down macroeconomic analysis with a bottom-up fundamental equity research analysis. Through its investment process, the Investment Manager will focus on particular areas of opportunity and will seek to identify the best sectors and best companies to express an investment theme within determined risk target and limit parameters.

Top-down macro analysis: the Investment Manager will seek to select durable and investable macroeconomic themes that it views as likely to drive investment behavior over the intermediate to long-term. The Investment Manager will focus on identifying unrecognized or underappreciated fundamental changes that are taking place in the world today, particularly in reference to the market pricing of companies likely to be impacted by these changes. Typically, the Investment Manager will analyze:

– Global economic growth: current and expected future economic conditions to assess state of economies and sectors;

– Fiscal and monetary policy: implications for economic activity and tax policy, government spending, debt management and actions of central banks;

– Government policy: geopolitical climate and regulatory changes that have the ability to acutely affect industry investment and profitability; and

– Non-economic factors: like demographic shifts with significant implications.

Bottom-Up fundamental equity research analysis: the Investment Manager will then identify companies that have some or all the following characteristics:

– companies operating in industries with high barriers entries;

– companies that have few competitors;

– companies that have above-average growth prospects in the Investment Manager's opinion; and

– companies that are trading at substantial discounts to the Investment Manager's fair value assessment.

In analyzing portfolio companies, prospects and/or competitors, the Investment Manager may use a variety of models and/or proprietary valuation metrics drawing data and information from a variety of sources including, among others, regulatory filings, company estimates, independent research.

Based on the above, the Investment Manager will determine the thematic emphasis of the Sub-Fund's portfolio. The asset allocation to a particular theme is driven by the perceived risk-adjusted return potential of each theme. Once the allocation has been made, the Investment Manager will then determine the individual positions that will comprise the long and short exposures in the relevant sector.

1.4 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund.

For further information on risk management, investors should refer to section 11.6 of the Prospectus "Risk Manager".

In addition, the Investment Manager has implemented proprietary systems and developed processes to monitor and manage the Sub-Fund's investment risks.

3. Risk Profile

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund’s assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund’s expected level of leverage will generally vary from 0% to 130% of the Sub-Fund’s NAV. Based on the commitment approach, the Sub-Fund’s expected level of leverage will generally vary from 0% to 60% of the Sub-Fund’s NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund’s exposure to Total Return Swaps is expected to represent 40% of its Net Asset Value and will not exceed 50% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

4. Specific Risk Warnings

The value of the Sub-Fund’s assets is linked to a portfolio of securities, cash instruments, currencies and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. Investors should also refer to the “Risk Factors” in Section 8 of the Prospectus of the Company, in particular Section 8.5.15 entitled “Emerging Market Assets”.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the “shares and other financial assets’ UCIs” type.

7. Dealing Day

The Dealing Day of the Sub-Fund will be every Banking Day.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day.

8. Launch Date

The Sub-Fund was launched on 20th July, 2015.

9. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

(ii) the Management Company will receive a **Distribution Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee** of 15% of New Net Appreciation (as specified in the table Summary of Shares below) in respect of Institutional and Retail Share Classes. The Performance Fee is calculated by reference to each Share Class' High Water Mark. The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

(iv) The Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

10. Investment Manager

The Sub-Fund will be managed by Passport Capital, LLC, a limited company organized under the laws of Delaware and incorporated on 2000. The Investment Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC).

11. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table below.

Summary of Shares

Class	B	C	D	X	Z	Management
Type	Institutional	Retail	Institutional	Retail	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) the Sub-Fund's Net Asset Value being greater than or equal to $100 million, or (b) a date to be decided by the Directors in conjunction with the Investment Manager	Available to retail investors only until the earlier of: (a) the Sub-Fund's Net Asset Value being greater than or equal to $100 million, or (b) a date to be decided by the Directors in conjunction with the Investment Manager	Available to appointed Distributors only	Available only to the employee of the Investment Manager or an immediate family member of such management employee who shall remain at all time the ultimate beneficial owners of the Shares in the Sub-Fund
Minimum Initial Subscription Amount	N/A	N/A	N/A	EUR 1000	N/A	N/A
Combined Investment Management and Distribution Fee	1.25% p.a.	2% p.a.	0.95% p.a.	1.70% p.a.	1.25% p.a.	0% p.a.
Performance Fee	15% of New Net Appreciation	15% of New Net Appreciation	10% of New Net Appreciation	10% of New Net Appreciation	15% of New Net Appreciation	0% of New Net Appreciation
Benchmark	None	None	None	None	None	None
Sales charge	None	Up to 5%	None	Up to 5%	Up to 5%	None
Redemption charge	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

SIXTEENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – WILLOWBRIDGE-PRAXIS GLOBAL MACRO UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – WILLOWBRIDGE-PRAXIS GLOBAL MACRO UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Strategy

1.1 Investment Objective

The investment objective of the Sub-Fund is to achieve capital appreciation through a fully discretionary global macro trading approach which seeks to profit from opportunities in a wide array of liquid markets including equity and bond indices, fixed income, international currencies, commodity indices, global interest rates and stocks.

The Sub-Fund will be managed by Willowbridge Associates Inc. (the "**Investment Manager**").

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Policy

The Sub-Fund seeks to achieve the investment objective primarily through investing in spot, forwards, options and futures contracts on currencies, exchange-traded futures and options on equity, bond and interest rate markets, OTC derivatives on UCITS eligible diversified commodity indices, and equities.

In addition, the Sub-Fund may engage in short sales via the use of derivatives instruments. Derivative instruments may be exchange-traded or over-the-counter.

The Sub-Fund may retain amounts in cash or cash equivalents (including money market funds) for risk management purposes or as otherwise considered appropriate to achieve its investment objective.

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

1.3 Investment Strategy

The Investment Manager will implement a fully discretionary trading strategy to build a portfolio consisting primarily of futures on currency, fixed income, equity indices, FX forward and OTC derivatives on UCITS eligible commodity indices.

The Sub-Fund's trading decisions are made jointly by the Investment Manager's Co-portfolio managers Philip Yang, and Frank Marrapodi. Both Mr. Yang and Mr. Marrapodi must agree on each position entered into by the Sub-Fund. They utilize their experience in the markets and their analysis of fundamental and technical information to formulate reward-to-risk expectations about a broad number of liquid markets. The Investment Manager's trading strategy seeks "value" trades, looking for positions that are cheap relative to the market.

The Co-portfolio managers will determine investment opportunities based primarily on their independent analysis of technical factors and fundamental factors in the various markets:

- Fundamental analysis is used to determine long-term trends in the various markets by examining, among other things, relative economic trends, such as growth, production, inflation, level of currency volatility, investment preferences, financial trends, such as monetary and fiscal policies, interest rates and external debt levels, and also political conditions.

- Technical analysis involves independent review of historical market data, cyclical analysis, mathematical relationships, momentum models and a review of certain technical models.

Based on such analysis, the Investment Manager will take various trading decisions including, the optimal structures through which to express a global macro theme, which instruments to trade, whether to take a long or short position, the maturity of the option being purchased or written (where applicable), the size of the position to be taken and the timing of the execution of trades.

Once the Investment Manager defines a global macro theme, it will structure a trade that represents its view in the most efficient manner taking into consideration liquidity, volatility, potential for positive movement and downside protection.

Trading decisions are derived from a combination of extensive technical and fundamental analysis, economic research, study of geo-political strategy, discussion with industry experts, risk assessment and anecdotal information from a long established international network of financial and academic contacts.

All positions are closely monitored to evaluate their risks. As markets move, positions are refined and expectations updated in response to current market conditions. Positions are removed if either Mr. Yang or Mr. Marrapodi determines that market conditions have changed and existing positions may be adversely affected.

The Sub-Fund's investment strategy typically includes a number of key investment themes, designed to capitalise upon the highest conviction investment opportunities identified by the Investment Manager.

One of the key components of the portfolio is short term interest rate derivatives. Short term interest rate derivatives have extremely low duration and therefore low volatility. In an effort to ensure that the Sub-Fund achieves its target risk/return when investing in short term interest rate derivatives, the Sub-fund may invest in large notional of these products. Despite the larger exposures in financial derivative instruments, the risk budgeting approach by the Investment Manager helps to manage the risks relating to these products and the overall allocation of risk to each product type is optimised for its expected risk-adjusted returns. Despite the larger exposures of financial derivatives, the risk allocation model seeks to ensure that the Sub-Fund does not employ excessive risks to create returns.

1.4 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund.

For further information on risk management, investors should refer to section 11.6 of the Prospectus "Risk Manager".

In addition, the Investment Manager has put in place robust systems and process to create a rigorous risk framework that allows him to monitor and manage the Sub-Fund's investment risks.

The Investment Manager has adopted the concept of Risk Budgeting for the Sub-Fund's strategy. This involves defining a fixed amount of the Sub-Fund's net assets (the "Risk Capital") that the Investment Manager would wish to put at risk of loss in a single calendar year. The Risk Budget is then set as a fixed percentage of the Risk Capital that the investment manager would put at risk at any point in time. The selection of contracts and the sizing of positions are determined in order that the realised volatility of the entire portfolio remains within the Risk Budget. The goal is that by keeping losses limited to a pre-determined percentage of Risk Capital, the entire amount of allowable Risk Capital is not at risk at any given time. Risk Capital and Risk Budgets are recalculated daily, updated to include prior day profit/loss and most recent volatility measures per contract.

3. Risk Profile

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 100% to 2500% of the Sub-Fund's NAV. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 0% to 2500% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Sub-Fund's exposure to Total Return Swaps is expected to represent 30% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

Despite the larger exposures of financial derivatives, the risk allocation model ensures that the Sub-Fund does not employ excessive risks to create returns. The Sub-Fund monitors the volatility of individual positions and strategies and may reduce risk if volatility is higher than normal/expected.

4. Specific Risk Warnings

The value of the Sub-Fund's assets is linked to a portfolio of securities, cash instruments, currencies and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. Investors should also refer to the "Risk Factors" in Section 8 of the Prospectus of the Company in particular sections 8.4.12 "Futures" and 8.5 entitled "Use of Derivatives".

Dependence on the Investment Manager

The success of the Sub-Fund is largely dependent upon the Investment Manager. The performance of the Investment Manager depends upon certain personnel, primarily Mr. Yang and Mr. Marrapodi. Should any such personnel be in any way unavailable or incapacitated, the performance of the Sub-Fund may be adversely affected.

High Leverage

The Sub-Fund employs an investment strategy which is complex, involves numerous risks, and may employ leverage through the use of derivatives and therefore potentially lead to high levels of volatility in returns. The use of leverage creates special risks and may significantly increase the Sub-Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of a Sub-Fund to greater capital risk than an unlevered vehicle

Forward Foreign Exchange Contracts

Forward foreign exchange contracts are generally effected through a trading system known as the interbank market which is not a market with a specific location but rather a network of participants electronically linked. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are neither regulated by any regulatory authority nor guaranteed by an exchange or clearing house. A Sub-Fund is subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel a Sub-Fund to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

Options Trading

Option trading is speculative and involves a high degree of risk. If the Sub-Fund purchases a put or a call option, it may lose the entire premium paid. If the Sub-Fund writes or sells a put or call option, its loss is potentially unlimited.

Commodity and Energy Trading

A Sub-Fund may from time to time have a significant commitment to commodity and energy index trading (i.e., trading in indices on electricity, natural gas, oil, crops and meats and related derivative instruments, including swaps, options and futures). Commodity index and energy index trading involves certain financial risks that are qualitatively different from those incurred in trading securities and other financial instrument

Interest Rates

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government policies or intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the Sub-Fund's Assets are denominated may affect the value of the Shares.

Equities

The Sub-Fund's investments in equity securities may decline in value due to factors affecting the issuing companies, their industries, or the economy and equity markets, generally. The values of equity securities may decline for a number of reasons which directly relate to the issuing company, such as management performance, financial leverage and reduced demand for the issuer's goods or services. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. In addition, they may decline due to general market conditions which are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment, generally. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of taxes including withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against entities. Equities investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Sub-Fund may invest directly or indirectly. In addition, relatively small companies in which the Sub-Fund may invest may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize.

Fixed-Income Investments

The value of the fixed-income securities will change as the general levels of interest rates fluctuate. When interest rates decline, the value of the Sub-Fund's fixed-income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline. Investments in lower rated or unrated fixed-income securities, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities).

Possible Effects of Speculative Position Limits

The CFTC and domestic exchanges have established speculative position limits ("position limits") on the maximum futures position which any person, or group of persons acting in concert, may hold or control in particular futures contracts or options on futures contracts traded on U.S. commodity exchanges. The Investment Manager may be the manager for other accounts. Under current regulations, such other accounts are combined with the positions held by the Sub-Fund under the Investment Manager's management for position limit purposes. In addition, the Investment Manager may trade for its own account and the accounts of its principals. This trading could preclude additional trading in such contracts by the Investment Manager for the account of the Sub-Fund. In addition, the Investment Manager may be required to liquidate positions at an inopportune time to avoid breaching certain limits, resulting in a price that may be less favorable than desired.

Electronic Trading

The Investment Manager may place trades through electronic trading systems provided by the brokerage firms used by the Investment Manager. Trades placed by electronic means are governed by the terms of the relevant electronic brokerage trading agreements and by exchange rules. Electronic trading systems vary in terms of order matching procedures, opening and closing procedures and prices, error trade policies, trading limitations or requirements, qualifications for access, grounds for terminating access, and limitations on the types of orders that may be entered. Additional risk may occur due to limitation of system access, varying response times and security requirements. In the case of Internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail. In the event of electronic system or component failure, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered, and orders may be lost or lose priority. The Investment Manager may place orders by telephone, and will retain such capability to use that method if electronic trading is not possible for a period of time. Exchanges may have adopted rules to limit their liability, the liability of futures brokers and software and communication system vendors and the amount that may be collected for system failures and delays.

Discretionary Strategies

Discretionary strategies, which the Investment Manager will use on behalf of the Sub-Fund, are considered by some to be inherently less consistent in their application than systematic strategies. The Investment Manager relies on judgmental decisions by its principal traders in determining trades. The various decisions include which instruments to trade, whether to take a long or short position, the maturity of the contract being purchased or written, the size of the positions to be taken, and the timing of the execution of trades. No assurance can be given that all of the pertinent information will be available to the Investment Manager in formulating any particular trading decision. The failure of the Investment Manager to consider any relevant information in making trading decisions may cause the Sub-Fund to miss significant profit opportunities or to incur substantial losses.

Non-Correlated, Not Negatively Correlated, Anticipated Performance

The Investment Manager does not anticipate that the performance of the Sub-Fund will be negatively correlated to that of the general debt and equity markets. Rather, the Investment Manager expects only that the Sub-Fund's performance will be generally non-correlated, i.e., unrelated, not opposite, to the performance of the traditional financial markets, although no degree of correlation or lack thereof can be guaranteed. It is by no means the case that the Sub-Fund can be expected to be profitable during unfavorable periods for the stock and bond markets or vice versa. The Sub-Fund may incur substantial losses at the same time as a Shareholder's stock and bond holdings, magnifying rather than mitigating losses. The Sub-Fund, even if successful, can serve only as a diversification from, not a hedge against, Shareholders' conventional portfolios. Moreover, there can be no assurance that the Sub-Fund will be successful.

Distressed Securities

The Sub-Fund may be exposed to distressed securities, which are securities of issuers in extremely weak financial condition or are perceived to have a deteriorating financial condition that will affect their future ability to meet their financial obligations. Investors should refer to section 8.4.8 "Distressed Strategies" of the Prospectus.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

7. Dealing Day

The Dealing Day of the Sub-Fund will be every Banking Day.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day.

8. Launch Date

The Sub-Fund will be launched on or about 1st September 2015.

9. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

(ii) the Management Company will receive a **Distribution Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee** of up to 15% of New Net Appreciation calculated by reference to each Share Class's High Water Mark (as specified in the table Summary of Shares). The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

(iv) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

10. Investment Manager

The Sub-Fund will be managed by Willowbridge Associates Inc. a company which was incorporated on 27 January 1988 under the laws of Delaware, Willowbridge Associates Inc. is registered as a Commodity Pool Operator and Commodity Trading Advisor with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA") in such capacity. Willowbridge Associates Inc. is also registered as an Investment Adviser with the Securities Exchange Commission ("SEC").

The Management Company may terminate the Investment Management Agreement with immediate effect by giving written notice to the Investment Manager if (i) a Key Man (as such term is defined in the Investment Management Agreement) ceases to be a member of the Investment Manager or to participate actively in the management of the Sub-Fund, or the Investment Manager knows that the Key Man will cease to be a member of the Investment Manager and notifies the Management Company of the same or (ii) it is in the best interests of the shareholders of the Sub-Fund to do so.

11. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table below.

Summary of Shares

Class	B	C	D	Z	Management
Type	Institutional	Retail	Institutional	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) $100mm AUM or (b) a date to be decided by the Directors in conjunction with the Investment Manager	Available to appointed Distributors Only	Available only to the employee of the Investment Manager or an immediate family member of such management employee who shall remain at all time the ultimate beneficial owners of the Shares in the Sub-Fund
Combined Investment Management and Distribution Fee	1.25%	2.00%	1%	1.25%	0%
Performance Fee	15% of New Net Appreciation	15% of New Net Appreciation	10% of New Net Appreciation	15% of New Net Appreciation	0% of New Net Appreciation
Benchmark	None	None	None	None	None
Sales charge	None	Up to 5%	None	Up to 5%	None
Redemption charge	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	Up to 0.40% p.a.

SEVENTEENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – RAMIUS MERGER ARBITRAGE UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – RAMIUS MERGER ARBITRAGE UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy and Strategy

1.1 Investment Objective

The investment objective of the Sub-Fund is to achieve consistent absolute returns while emphasizing the preservation of capital through investments in issuers engaged in or subject to corporate transactions such as mergers and acquisitions.

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Policy

The Sub-Fund seeks to achieve the investment objective through primarily investing in the securities of issuers engaged in, or subject to, announced or anticipated extraordinary corporate transactions, which may include mergers and acquisitions, leveraged buyouts, tender offers, hostile takeover bids, sale processes, exchange offers, and recapitalizations.

The Sub-Fund will primarily invest in issuers across developed markets globally, however it is likely that a large proportion of the Sub-Fund's investments will include issuers domiciled in the U.S.

The Sub-Fund has flexibility to invest in a wide range of instruments including, but not limited to, common stocks, preferred stocks, equity-related instruments, corporate bonds, ETFs, FX forwards, swaps including Total Return Swaps, options and other derivative instruments.

In addition, the Sub-Fund may engage in short sales via the use of derivative instruments. Derivative instruments may be exchange-traded or over-the-counter.

The Sub-Fund may retain amounts in cash or cash equivalents (including money market funds) for risk management purposes or as otherwise considered appropriate to achieve its investment objective.

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

1.3 Investment Strategy

To implement the Sub-Fund's investment objective, Ramius Advisors, LLC (the "**Investment Manager**") utilizes a fundamental research-driven approach to evaluating potential investments.

The Sub-Fund typically seeks to derive a profit by realising the price differential, or "spread" between the market price of securities purchased or sold short and the market price or value of securities realised in connection with the completion or termination of the extraordinary corporate transaction, or in connection with the adjustment of market prices in anticipation thereof, while seeking to minimize the market risk associated with the aforementioned investment activities.

The Investment Manager employs a proprietary fundamental research process that seeks to assess each potential extraordinary corporate transaction individually; this process will seek to evaluate, among other things, the likelihood that a particular extraordinary corporate transaction will be consummated, the value of the relevant securities upon transaction completion or termination, and the time required to complete the transaction.

The investment research process involves, but is not necessarily limited to, fundamental valuation and business specific issues, like:

- the transaction's dynamics such as shareholder votes, potential for bidding wars, and financing needs;
- the legal and regulatory analysis such as contract strength, domestic and foreign regulatory approvals, and corporate governance issues; and
- the Investment Manager's internal and external expertise.

The Investment Manager focuses on identifying and continually reviewing the status of issues that the Investment Manager believes are central to an investment's success or failure.

As part of this process, the Investment Manager focuses on the assumptions underlying its investment thesis and the potential catalysts for each such investment. The Investment Manager also examines the tradeoffs between the risks it perceives and the returns it anticipates for each investment. In generating investment ideas and conducting due diligence, the Investment Manager will rely on its knowledge of the merger arbitrage strategy and its dialogue and relationships with market and industry participants, company management, research analysts and consultants. The Investment Manager also will generally review and analyze quantitative and qualitative financial data, industry data and information from a wide range of publicly-available and subscription-based sources. The Investment Manager also may evaluate and consider macro-economic data and trends when developing potential investment thesis and selecting securities to include in the Sub-Fund's portfolio.

The Investment Manager regularly evaluates multiple securities associated with the issuers that it is considering as a potential investment for the Sub-Fund, and seeks to compare a security's value and risk-reward dynamics relative to the value of the issuer's other investible securities. After an investment is made, the Investment Manager monitors the performance of the issuer and the securities owned against the initial investment thesis in order to attempt to ensure that the investment remains attractive. In addition, the Investment Manager applies a risk management framework to the construction and monitoring of its investments, first emphasizing the risks associated with each position in the Sub-Fund's portfolio.

The Investment Manager attempts to assess dynamically the potential loss of each position by seeking to account for changes in the market, industry and company specific conditions. The Investment Manager may also consider macro, liquidity, concentration and collateral risks associated with each investment. The Investment Manager may exit positions in response to changes in the investment thesis, perceived risk-reward, timeline to transaction completion, and/or market conditions, among other reasons.

1.4 FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Europe Limited.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund.

For further information on risk management, investors should refer to section 11.6 of the Prospectus "Risk Manager".

In addition, the Investment Manager has put in place proprietary systems and process to monitor and manage the Sub-Fund's investment risks.

3. Risk Profile

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 75% to 400% of the Sub-Fund's NAV. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 0% to 250% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

The Investment Manager's strategy often involves buying a long position in a target company security, and in certain cases, establishing a corresponding short position in the acquiring company security. Depending on the available opportunity set, there may be times when either (1) there are significant amounts of acquirer stock to short and/or (2) many positions are expressed via derivatives, and as a result gross leverage could potentially reach the maximum level, which is not necessarily indicative of the expected typical levels.

The Sub-Fund exposure to Total Return Swaps is expected to represent 100% of its Net Asset Value and will not exceed 150% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.

4. Specific Risk Warnings

The value of the Sub-Fund's assets is linked to a portfolio of securities, cash instruments, currencies and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. Investors should also refer to the "Risk Factors" in Section 8 of the Prospectus of the Company, in particular Section 8.4.4 entitled "Merger Arbitrage", section 8.4.2 Relative Value/Arbitrage strategies, section 8.1.6 Concentration of Investments and section 8.5 Use of Derivatives.

Single sector concentration

While complying at any time with the Investment Restrictions under section 6 of the Prospectus, the Sub-Fund's portfolio may be concentrated in companies within a single industry or sector. This means the Fund may be more sensitive to specific sector related events.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

7. Dealing Day

The Dealing Day of the Sub-Fund will be every Banking Day.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the third Banking Day prior to the relevant Dealing Day.

8. Launch Date

The Sub-Fund was launched on 8 July 2016.

9. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager will receive an **Investment Management Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

(ii) the Management Company will receive a **Distribution Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee** of up to 20% of New Net Appreciation calculated by reference to each Share Class's High Water Mark (as specified in the table Summary of Shares). The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

(iv) The Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

Certain other Expenses Charged to the Sub-Fund

The Sub-Fund will be obligated to reimburse the Investment Manager for certain of its out-of-pocket costs and expenses, including, but not limited to, brokerage commissions and charges, stamp duty, and all similar transaction charges and taxes, as well as external research expenses, expenses associated with legal counsel and certain other agents and consultants retained by or on behalf of the Investment Manager or the Sub-Fund. The expenses will be charged to the Sub-Fund under the control and supervision of the Management Company, to the extent that the Sub-Fund benefits from the related service.

10. Investment Manager

The Sub-Fund will be managed by Cowen Investment Advisors LLC (formerly Ramius Advisors LLC), a company formed in 1997 under the laws of Delaware, registered as an investment adviser with the U.S. Securities and Exchange Commission. Cowen Investment Advisors LLC's trading name remains Ramius Advisors LLC.

11. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table below.

Summary of Shares

Class	B	C	D	X	Z	Management
Type	Institutional	Retail	Institutional	Institutional	Retail	Institutional
Availability	Available to all Institutional Investors	Available to all retail investors	Available to Institutional Investors only until the earlier of: (a) $100mm AUM or (b) a date to be decided by the Directors in conjunction with the Investment Manager	Available to selected Institutional Investors	Available only to: (a) appointed sub-distributors which have established an investment advisory relationship in writing with their clients, in return for a fee, or to (b) appointed discretionary portfolio managers which have established an investment discretionary relationship in writing with their clients in return for a fee	Only available to employees, shareholders and Affiliates of the Investment Manager.
Combined Investment Management and Distribution Fee	1.25% p.a.	2% p.a.	1.0% p.a.	Up to 1.25% p.a.	1.25% p.a.	0%
Performance Fee	20% of New Net Appreciation	20% of New Net Appreciation	10% of New Net Appreciation	Up to 20% of New Net Appreciation	20% of New Net Appreciation	0% of New Net Appreciation
Benchmark	None	None	None	None	None	None
Sales charge	None	Up to 5%	None	None	Up to 5%	None
Redemption charge	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.

EIGHTEENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH ENHANCED CROSS-ASSET VOLATILITY PREMIUM FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MERRILL LYNCH ENHANCED CROSS-ASSET VOLATILITY PREMIUM FUND (the "**Sub-Fund**").

This Sub-Fund is a Merrill Lynch Sub-Fund as defined in the Prospectus.

1. Investment Objective, Policy and Strategy

1.1 Investment Objective

The Sub-Fund's investment objective is to achieve capital appreciation by capturing relative value from the implied versus realized volatility spread (i.e. the volatility premium) across different asset classes, by providing exposure at any time to one of eight BofAML Cross-Asset Volatility Premium Indices (each an "**Index**" and, collectively, the "**Indices**"). The Indices are Merrill Lynch International proprietary, systematic and quantitative indices providing diversified exposure to the volatility premium of the four asset classes – equities, commodities, foreign exchange and fixed income – each with a different asset class weighting. Each of the Indices is a "Reference Asset" as defined in the Prospectus.

The Investment Manager will seek investment advice from Union Investment Institutional GmbH (the "**Investment Advisor**") in connection with the implementation of the investment objective of the Sub-Fund. Such advice will relate to advising on the selection of the relevant Index and allocation thereto. Whilst the Investment Advisor will advise the Investment Manager on such matters, the Investment Manager ultimately retains authority for the investments of the Sub-Fund. The Investment Manager will make investment decisions in accordance with the investment objective and strategy of the Sub-Fund.

Further information about the Investment Advisor can be found in Section 13 below.

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Policy and Investment Strategy

To achieve its investment objective, the Sub-Fund will primarily:

- enter into over-the-counter excess return swap transactions with a First Class Institution, such as MLI acting as OTC Derivative Counterparty, in each case linked to one of the Indices; and/or
- maintain a portfolio of liquid investments (each a "**Collateral Investment**" and, collectively, the "**Collateral Investments**") in order to generate a low risk, money market-like return.

The Investment Manager will determine which form of Collateral Investment is most appropriate. Examples of Collateral Investments which the Investment Manager may select include but are not limited to:

- investment in a reverse repurchase agreement under which the Sub-Fund acting as buyer will purchase securities from a First Class Institution such as MLI acting as seller with the obligation for the First Class Institution to repurchase such securities at a date and price agreed between the parties when entering into the reverse repurchase agreement. Such securities will comply with the limits laid down in section 6.10 of the Prospectus;
- investment in a portfolio of transferable securities, money market instruments and/or collective investment undertakings in accordance with the investment restrictions laid down

in section 6 of the Prospectus, the Law of 17 December 2010 and all applicable laws and regulations; and

- on occasions, an additional investment in an OTC Derivative, being a Total Return Swap, over the above portfolio, and under which the return of the portfolio will be swapped for floating rate interest flows.

Some of the Sub-Fund's assets may be held on an ancillary basis in liquid assets in order to facilitate potential redemption requests and/ or daily expenses.

The Sub-Fund will not invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings.

Investment Strategy Description

The Investment Manager will, having considered the advice of the Investment Advisor, dynamically allocate the Sub-Funds' assets to one out of the eight Indices as listed in Table A below. Each Index provides diversified exposure to the volatility premium (i.e., the spread between the implied and the subsequent realised volatility) of the four asset classes - equities, commodities, foreign exchange and fixed income - with a different asset-class weighting, in each case as described in Table B below.

Table A: Indices

i	Index i	Abbreviation	Bloomberg Code
1	BofAML Cross-Asset Volatility Premium I Index	Index I	MLEISVU1
2	BofAML Cross-Asset Volatility Premium II Index	Index II	MLEISVU2
3	BofAML Cross-Asset Volatility Premium III Index	Index III	MLEISVU3
4	BofAML Cross-Asset Volatility Premium IV Index	Index IV	MLEISVU4
5	BofAML Cross-Asset Volatility Premium V Index	Index V	MLEISVU5
6	BofAML Cross-Asset Volatility Premium VI Index	Index VI	MLEISVU6
7	BofAML Cross-Asset Volatility Premium VII Index	Index VII	MLEISVU7
8	BofAML Cross-Asset Volatility Premium VIII Index	Index VIII	MLEISVU8

The allocation to one of the eight Indices will be based on advice from the Investment Advisor who uses a proprietary asset-class allocation model to determine the relative attractiveness of each asset class. The allocation model follows a fundamentally-driven business cycle approach, dividing the business cycle into eight phases based on the economic momentum, the economic dynamic and output gap. The Investment Advisor will seek to identify the current phase of the business cycle by observing a set of proprietary indicators covering different economic activities such as production, consumption, housing and financial markets. The different phases of the business cycle correspond to the eight Indices, with the most attractive asset class for each cycle generally being overweight and vice-versa. In the most bearish business cycle, the corresponding asset-class allocations are all underweight to reflect a lower risk appetite. On a weekly basis, the Investment Advisor will notify the Investment Manager of the relevant Index to which the Sub-Fund's assets should be allocated as they seek to identify the change in phase of the business cycle.

Indices Description

The following is a brief overview of the Indices. A detailed description of each of the Indices including the calculation methodology, certain Index disruption events, Index amendment and Index cancellation events as well as a description of the fees, costs (if any) and deductions relating to the relevant Index (the Indices Rulebook, as defined below) and composition is available upon request from the registered office of the Global Distributor and also publicly accessible at:

http://corp.bankofamerica.com/documents/292283/1238683/BofAML_CrossAssetVolatilityPremiumIndices_Info.

The Indices implement a proprietary, systematic and rules-based investment strategy developed by MLI. The objective of each Index is to provide diversified exposure to the volatility premium of the four asset classes - equities, commodities, foreign exchange and fixed income - with a different asset-class weighting.

The target asset-class weighting of each Index (the "**Asset-Class Target Allocation Weight**") is determined per Index and per asset class where a target allocation of 37.5% ("overweight"), 25% ("neutral") or 12.5% ("underweight"), is made to each asset class as set out in Table B below.

Table B: Indices Asset Class Weights

Index	Asset Class Target Allocation Weight			
	Equities	Commodities	Foreign Exchange	Fixed Income
Index I	12.5%	12.5%	12.5%	12.5%
Index II	37.5%	25.0%	25.0%	37.5%
Index III	25.0%	37.5%	37.5%	25.0%
Index IV	25.0%	12.5%	25.0%	37.5%
Index V	37.5%	25.0%	37.5%	25.0%
Index VI	25.0%	25.0%	12.5%	25.0%
Index VII	25.0%	37.5%	37.5%	37.5%
Index VIII	12.5%	25.0%	25.0%	25.0%

The volatility premium of each asset class is derived from the performance of two or more BofAML Short Synthetic Variance Indices (each a "**Sub-Index**" and, collectively, the "**Sub-Indices**"), as set out in Table C below. Each Sub-Index provides exposure to the volatility premium of a Reference Underlying (as listed in Table C below) through the implementation of a proprietary, systematic and rules-based investment strategy developed by MLI, as described below. For the avoidance of doubt, the Sub-Indices do not satisfy all the requirements applicable to "financial indices" within the meaning of article 9 of the Luxembourg Grand Ducal Regulation of 8 February 2008.

The target allocation weight of each Index to each Sub-Index (the "**Target Sub-Index Allocation Weight**") is defined as the product of (i) the relevant Asset-Class Target Allocation Weight; and (ii) the relevant Sub-Index Base Weight (as set out in Table C below). For example, the Target Sub-Index Allocation Weight of Index I to Sub-Index 1 is calculated as 12.5% multiplied by 40%, which equals 5%.

Table C: Asset Class Sub-Indices and Sub-Indices Base Weights

Asset-Class	j	Sub-Index j (Base Currency)	Reference Underlying	Bloomberg Code	Base Currency	Base Weight
	1	BofAML Short Synthetic Variance Index – SPX Series 2 (USD)	S&P 500 Index	MLEIS2SP	USD	40%
	2	BofAML Short Synthetic Variance Index – SX5E Series 2 (EUR)	Euro Stoxx 50 Index	MLEIS2SX	EUR	40%
	3	BofAML Short Synthetic Variance Index – VIX Series 2 (USD)	CBOE[1] VIX Future	MLEIS2VX	USD	20%
	4	BofAML Short Synthetic Variance Index – CL Series 2 (USD)	NYMEX[2] Crude Oil (WTI) Future	MLEIS2CL	USD	50%
	5	BofAML Short Synthetic Variance Index – GC Series 2 (USD)	COMEX[3] Gold Future	MLEIS2GC	USD	50%
	6	BofAML Short Synthetic Variance Index – EC Series 2 (USD)	CME[4] EURUSD Future	MLEIS2EC	USD	50%
	7	BofAML Short Synthetic Variance Index – JY Series 2 (USD)	CME[4] USDJPY Future	MLEIS2JY	USD	50%

Fixed Income	8	BofAML Short Synthetic Variance Index – TY Series 2 (USD)	CBOT[5] 10-Year T-Note Future	MLEIS2TY	USD	40%
	9	BofAML Short Synthetic Variance Index – RX Series 2 (EUR)	Eurex Euro-Bund Future	MLEIS2RX	EUR	40%
	10	BofAML Short Synthetic Variance Index – HY Series 2 (USD)	$ High Yield Corp. Bond ETF[6]	MLEIS2HY	USD	20%

[1]CBOE (Chicago Board Options Exchange) Futures Exchange; [2]New York Mercantile Exchange; [3]Commodity Exchange Inc; [4]Chicago Mercantile Exchange; [5]Chicago Board of Trade; [6]iShares iBoxx $ High Yield Corporate Bond ETF

Each Index rebalances the allocation weight of each Sub-Index back to the Target Sub-Index Allocation Weight monthly on the relevant Sub-Index Roll Day (as defined below). The rebalancing of such Index has no effect on the costs within the strategy. Each of the Indices has no single component that has an impact on the overall index return which exceeds the relevant diversification requirements in accordance with the UCITS Directive and the Prospectus.

Each Index is designed to provide an excess return in EUR, net of costs. Since a set of the Sub-Indices is denominated in USD, each Index implements a monthly FX-hedge to minimize the impact of fluctuations in the EURUSD FX-rate on the Index level. The Index level is derived daily (on each Index Valuation Day, as defined below) from the Sub-Indices levels by applying the relevant Target Sub-Index Allocation Weight and FX-hedge adjustment.

Sub-Indices Description

The following is a brief overview of the Sub-Indices. A detailed description of each Sub-Index including the calculation methodology, the Sub-Index disruption events, Sub-Index amendment and Sub-Index cancellation events as well as a description of the fees and costs (if any) relating to the relevant Sub-Index (the Sub-Indices Rulebook, as defined below) and composition is available upon request from the registered office of the Global Distributor and also publicly accessible at:

http://corp.bankofamerica.com/documents/292283/1238683/BofAML_CrossAssetVolatilityPremiumIndices_Info

The Sub-Indices implement a proprietary, systematic and rules-based investment strategy developed by MLI. The objective of each Sub-Index is to provide exposure to the volatility premium of the relevant Reference Underlying, as set out in Table C above.

To achieve its objective, each Sub-Index synthetically replicates a one-month maturity short variance swap contract position through listed options on the Reference Underlying. The synthetic short variance position aims to provide direct exposure to the volatility premium of each Reference Underlying.

On each monthly listed option expiration date (a Sub-Index Roll Day, as defined below) the relevant Sub-Index sells a strip of listed out-of-the-money put and call options on the Reference Underlying with expiry date being the first (standard) monthly expiration date immediately following the Sub-Index Roll Day. The option strip includes all available listed strike prices but excludes strike prices where the absolute delta of the relevant put or call option is less than 1%. All sold options are held until their respective expiration date. The option strip delta, being the sum of the deltas of the put and call options comprising the option strip, is hedged daily (on each Sub-Index Valuation Day) through a long or short position in the relevant Reference Underlying. The daily option strip delta-hedge aims to isolate the option strip exposure to the volatility premium of the relevant Reference Underlying by minimizing the direct impact of fluctuations in the relevant Reference Underlying on the option strip value.

The number of units sold of each option in the option strip on the relevant Sub-Index Roll Date follows a risk-parity approach and is determined such that a 10% relative move in the volatility of the relevant Reference Underlying results in approximately 1% return of the relevant Sub-Index. For example, if the implied volatility level (as implied from the option strip) is 20%, then a 10% relative move equals 2%. Hence, the Sub-Index would generate approximately 1% return if the realized volatility (as implied from the options strip and delta-hedge) equals 18%. Since the "vega notional" of a variance swap contract defines the notional exposure (return) for a fixed 1% change in the volatility level, the above option strip weighting approach implies that Reference Underlyings with a high volatility level will have a low vega notional and vice versa (risk-parity).

Each Sub-Index is designed to provide an excess return in the relevant Base Currency (as set out in Table C above), net of costs. The Sub-Index level is derived daily (on each Sub-Index Valuation Day) from the change in the option strip value and the delta-hedge gain/loss.

Definitions

"**Indices Rulebook**" means the index rulebook as published by the Index Sponsor for the BofAML Cross-Asset Volatility Premium.

"**Index Sponsor**" means Merrill Lynch International, or any successor thereto.

"**Index Valuation Day**" means the "Index Valuation Date" as defined in the Indices Rulebook (typically any day on which the Sub-Indices are scheduled to be published by the Index Sponsor).

"**Sub-Index Roll Day**" means the "Index Roll Day" as defined in the Sub-Indices Rulebook (typically each (standard) monthly expiration date of listed options on the Reference Underlying on the relevant exchange).

"**Sub-Index Valuation Day**" means the "Index Calculation Day" as defined in the Sub-Indices Rulebook (typically any day on which the relevant exchange is scheduled to be open for trading in options on the relevant Reference Underlying).

"**Sub-Indices Rulebook**" means the index rulebook as published by the Index Sponsor for the BofAML Short Synthetic Variance Indices – Series 2 and BofAML Synthetic Variance.

2. Market Disruption Event

In addition to the Market Disruption Events described under section 1 "Definitions" of the Prospectus, the following will be Market Disruption Events in respect of the Sub-Fund as determined by the Investment Manager: (i) on or prior to any date on which any Index valuation or obligation is scheduled to occur, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (an "**Index Modification**") or permanently cancels the relevant Index (an "**Index Cancellation**"), or (ii) on any relevant date on which any Index valuation or obligation is scheduled to occur, the Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each, an **Index Adjustment Event**). In addition to the consequences provided for in the Prospectus, in the case of an Index Adjustment Event, the Investment Manager may:

(a) determine if such Index Adjustment Event has a material effect on the Sub-Fund and, if so, shall determine any relevant adjustment to the terms of the Sub-Fund which may include, without limitation, determining the relevant level or value using, in lieu of a published level or value for the relevant Index, the level or value for that Index as at the relevant time; or

(b) replace any Index that is affected by an Index Adjustment Event with one or more successor indices (in each case any such replacement being a "**Replacement Index**") (and as appropriate replace the Index Sponsor with the index sponsor in respect of the Replacement Index and make such adjustments to any other terms of the Sub-Fund as it considers relevant to account for such replacement), whereupon the Replacement Index will be deemed to be the successor to the relevant Index and will take effect from the date of such replacement.

As a consequence of the above, the Investment Manager will determine the appropriate adjustment, if any, to be made to the Sub-Fund such as without limitation, a change of the objectives and policies of the Sub-Fund and determine the effective date of that adjustment. Any material change in the investment objective and investment policies of the Sub-Fund will require the prior approval of the Board of Directors and of the CSSF, and Shareholders that do not agree to the relevant material change will be given a notice period of thirty (30) days during which they will have the right to request the redemption of their Shares free of any charges. The occurrence of a Market Disruption Event may result in a suspension of valuations and issue and redemption and conversion of Shares in accordance with section16 "Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares".

3. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund. The unit of the Management Company responsible for the risk management of the Company is independent from the units or entities responsible for the management of the Sub-Fund. For further information on risk management, investors should refer to section 11.6 of the Prospectus "Risk Manager".

4. Risk Profile

An investment in the Sub-Fund is designated to be a medium to long term investment. Investors should not expect to obtain short-term gains from such investment. The Sub-Fund is suitable for investors who can afford to set aside the capital for the medium to long term and who seek a medium investment risk.

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

The leverage of the Sub-Fund will be calculated using the sum of notionals of financial derivative instruments approach. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

The Sub-Fund leverage under the sum of notional of financial derivative instruments approach is expected to be around 1500%. The leverage is expected to vary over time, in particular the leverage is expected to be higher in relatively low market volatility regimes and vice versa. The leverage is calculated on a look-through basis and taking into account all exposures of the Sub-Fund.

The Sub-Fund exposure to Total Return Swaps is expected to represent 1500% of its Net Asset Value and will not exceed 3500% of its Net Asset Value. In certain circumstances, these proportions may be higher.

The Sub-Fund's exposure to Repurchase Transactions is expected to represent 95% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

5. Specific Risk Warnings

The value of the Sub-Fund's Assets is linked to a basket of transferable securities and derivatives, including derivatives liked to the Indices, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment. In addition to the specific risk warnings listed below, investors should refer to the "Risk Factors" in section 8 of the Prospectus, in particular sections 8.4.1 "Volatility

Trading", 8.4.2 "Relative Value/Arbitrage Strategies" and 8.5.8 "Merrill Lynch Sub-Funds linked to a Reference Asset through OTC Derivatives"

Counterparty Risk

Investors should note that the entering by the Sub-Fund into the OTC transactions with MLI involves a counterparty risk. This risk is however limited to 5% of the net assets of the Sub-Fund in accordance with section 6.2.3 of the Prospectus. This exposes the Sub-Fund to the credit-risk of MLI acting as the Sub-Fund's counterparty under the OTC Transactions and its ability to satisfy the terms of such OTC transactions and therefore the Sub-Fund may suffer a loss and such positions may be terminated. The Board of Directors may then decide to close the Sub-Fund or to enter into similar OTC transactions with an alternative First Class Institution recommended by the Investment Manager. If the Investment Manager cannot identify an alternative First Class Institution for this purpose, the Board of Directors may decide to close the Sub-Fund.

Index Exposure Risk

There is no guarantee that the investment objective of the Sub-Fund will be achieved. The total return on investment in the Shares of the Sub-Fund may be reduced by currency hedging inefficiencies, costs and expenses disclosed in this Supplement (including transaction costs embedded in the Indices as more fully set out in the Indices Rulebooks) and rebalancing of exposure to the relevant Index. In addition, the relevant Index and Sub-Index disruption events, Index amendment and Index cancellation events may lead to an Index being adjusted, modified or cancelled. It should also be noted that Index fees, costs and deductions will be deducted from the level of the Indices and act as a drag on the Indices, therefore reducing the amount of return on the Indices. This may have an adverse effect on the investment return (if any) of the Shares in the Sub-Fund. Investors should refer to the Indices Rulebook for a full description of how transaction costs applicable to the Indices are calculated as well as for details of the approximate average annual levels of such costs based on historical and back-tested values.

6. Base Currency

The Base Currency of the Sub-Fund is the EUR.

7. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

8. Valuation Day

The Valuation Day of the Sub-Fund will be each Banking Day.

For the purposes of this Sub-Fund, Banking Day means any day on which banks are open for business in Luxembourg, London and United States.

9. Dealing Day

The Dealing Day of the Sub-Fund will be each Banking Day which is also an Index Valuation Day.

For the purposes of this Sub-Fund, Banking Day means Luxembourg, London and United States.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day. The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day.

10. Launch Date

The Sub-Fund was launched on 16th September, 2016.

11. Fees and Expenses

The amount of fees listed below may vary on a per Share Class basis as specified in the Summary of Shares table below. The fees will be payable out of the assets attributable to the relevant Share Class as follows:

(a) the Management Company, in its capacity as Investment Manager, will receive an Investment Management Fee of (i) up to 0.50% per annum of the Net Asset Value of Class A Shares (as specified in the Summary of Shares table below) or (ii) up to 1% per annum of the Net Asset Value of Class B Shares (as specified in the Summary of Shares table below). With respect to Class B Shares only, the Investment Manager will pay of portion of its fees to the Investment Advisor in consideration of its services. The Investment Management Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and will be paid monthly in arrears.

(b) the Management Company will receive an Administrative and Operating Fee equal to a percentage (as specified in the Summary of Shares table below) of the Net Asset Value of the relevant Share Class. The Administrative and Operating Fee will accrue daily by reference to the Net Asset Value on each Valuation Day and shall be payable monthly in arrears. The minimum Administrative and Operating Fee for this Sub-Fund will be EUR 90,000 per annum.

An extra charge will be levied on investors subscribing or redeeming Shares of the Sub-Fund to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions (called the Anti-Dilution Levy) at a rate specified in the Summary of Shares table below.

12. Investment Manager

The Sub-Fund is managed by the Management Company.

13. Investment Advisor

The Investment Manager has appointed Union Investment Institutional GmbH as Investment Advisor to provide investment advice with respect to the Sub-Fund.

Union Investment Institutional GmbH, a company incorporated under the laws of Germany, authorised as investment manager by the Federal Financial Supervisory Authority (BaFin). Union Investment Institutional GmbH offers its asset management expertise to institutional investors to advise them on investment recommendations.

14. Shares

The Share Classes are described in the Summary of Shares table below.

Summary of Shares

Class	A	B
Type	Institutional	Institutional
Availability	Only available to investors designated by the Investment Advisor	Available to all Institutional Investors
Minimum Initial Subscription Amount	EUR 1,000,000	EUR 1,000,000
Investment Management Fee	0.50% p.a.	1.00% p.a.
Performance Fee	None	None
Anti-Dilution Levy on Subscriptions	0.25%	0.25%
Anti-Dilution Levy on Redemptions	0.25%	0.25%
Administrative and Operating Fee	0.10% p.a.	0.10% p.a.

NINETEENTH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – KLS FIXED INCOME UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – KLS FIXED INCOME UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy, Strategy and Portfolio Construction

1.1. Investment Objective

The investment objective of the Sub-Fund is to preserve capital while delivering high risk-adjusted absolute returns with low volatility and low correlation to equity and bond markets.

The Sub-Fund will be managed by KLS Diversified Asset Management LP (the "**Investment Manager**").

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2. Investment Policy

The Sub-Fund seeks to achieve the investment objective by dynamically allocating and re-allocating capital among and across three sub investment strategies including rates, credit and structured products with the rates strategy likely having the largest allocation.

The Sub-Fund has flexibility to invest in a wide range of instruments across global markets including, but not limited to, U.S and other sovereign bonds, corporate bonds, residential and commercial mortgage backed securities, foreign currencies, equities and equity-related instruments, ETFs, swaps, options, futures and other derivative instruments linked to the various underlying markets including credit, interest rates, FX, equities, mortgage backed securities, other asset backed securities and distressed securities. In addition, the Sub-Fund may engage in short sales via the use of derivative instruments. Derivative instruments may be exchange-traded or over-the-counter.

The Sub-Fund may retain amounts in cash or cash equivalents (including money market funds) for risk management purposes or as otherwise considered appropriate to achieve its investment objective.

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010, all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS and the Grand-Ducal Regulation of 8th February 2008, as amended and updated from time to time.

The Sub-Fund will not invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings.

1.3. Investment Strategy and Portfolio Construction

The Investment Manager pursues a multi-strategy approach across broad fixed income markets.

The three co-chief investment officers, Jeff Kronthal, Harry Lengsfield and John Steinhardt, each manage their respective structured products, rates and credit portfolios. Together, the three co-chief investment officers are responsible for the overall allocation across strategies.

- The rates team seeks to deliver enhanced returns in liquid rates markets through a diversified, global portfolio of macro and idiosyncratic investments uncorrelated to both traditional beta and alpha sources. A focus on qualitative and quantitative valuation metrics helps identify both macro and idiosyncratic investment opportunities. The group has a global mandate across G10 and traditional emerging and frontier markets. It is worth noting that the rates strategies portion of the portfolio is centred around trades that seek to capture relative value, for example across curves or between different instruments. Efficient trade construction involves high gross amounts with low net risk after offsets, resulting in high notional and commitment amounts but low net market and leverage risk.
- The structured products team employs detailed loan-level analysis and reflects an overarching macroeconomic view on housing markets, consumer sentiment, commercial real estate markets and interest rates. The group is active in multiple market sectors including residential mortgage-backed securities, commercial mortgage-backed securities, mortgage derivatives and other asset backed securities.
- The credit team conducts substantial fundamental bottom-up research focused on asset protection, security structure, management quality and liquidity across developed market corporate credit opportunities. The group’s strategy seeks to take advantage of mispriced idiosyncratic risk with specific catalysts.

Sourcing

The Investment Manager identifies investment opportunities based on extensive market knowledge, research, analytics and contacts that the Investment Manager’s personnel have developed over their years in the business, as well as from other market sources. Idea generation and opportunity set development result from constant dialogue and analysis combining bottom-up research-driven fundamental analysis with a top-down risk-controlled macroeconomic perspective.

Bottom-Up Investment Ideas

The Investment Manager’s professionals are responsible for identifying and analyzing investment ideas, and then developing those ideas into actionable investment opportunities with associated rationale, performance targets and upside/downside scenario analyses. Such analysis typically considers capital requirements and relevant risk limits, including, for example, financing, value at risk, correlation risk, stress scenarios and concentration limits.

Top-Down Investment Committee Risk Control

The Investment Manager determines the overall composition of the Sub-Fund’s portfolio by considering a variety of factors, including opportunity set, risk, concentrations, capital, leverage levels and financing availability, stress and correlation. Where appropriate, the Investment Manager reviews individual investment opportunities for individual risks and rewards as well as for portfolio inclusion. The Investment Manager’s investment committee, comprised of the managing partners and senior professionals, provides ongoing strategy refinement. Portfolio risk is measured via a broad set of statistics, shocks and stress tests over multiple look-back periods and market cycles. Investment targets and guidelines aim to contain tail exposures, manage portfolio sizing and provide transparency.

Dynamic Capital Allocation & Re-allocation

Capital is allocated without restriction to the best ideas and sub-strategies while maintaining diversification and appropriate liquidity, with constant attention to tail risk management.

1.4. FX Hedging

The FX hedging function with respect to the non Base Currency Shares shall be performed by State Street Bank Europe Limited.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund.

In addition, the Investment Manager has implemented a risk management process at both the individual position and total portfolio levels.

The Investment Manager’s guiding principles for risk management include appropriate risk delegation, managerial oversight, transparency, independent monitoring and the use of multiple tools to understand and evaluate risk positions in different scenarios and markets. The Investment Manager’s risk management policies address asset class, sector, individual securities, liquidity, leverage and valuation as well as other business risks and responsibilities including operations, reputation, regulatory compliance, legal matters, fiduciary responsibilities and good business ethics.

For further information on risk management, investors should refer to section 11.6 of the Prospectus entitled “Risk Manager”.

3. Risk Profile

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure resulting from the use of financial derivative instruments.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund’s assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund’s expected level of leverage will generally vary from 2000% to 3700% of the Sub-Fund’s NAV. Based on the commitment approach, the Sub-Fund’s expected level of leverage will generally vary from 2000 % to 3700% of the Sub-Fund’s NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including, but not limited to, a low market volatility environment.

The Sub-Fund’s exposure resulting from the use of Total Return Swaps is expected to represent 0% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

The Sub-Fund’s exposure to Repurchase Transactions is expected to represent 100% of its Net Asset Value and will not exceed 200% of its Net Asset Value. In certain circumstances, these proportions may be higher.

Specific Risk Warnings

The Sub-Fund is a highly speculative investment and is not intended as a complete investment program. Because an investment in the Sub-Fund carries substantial risk, it is suitable only for investors who can assume the risks of losing their entire investment. In addition to the risk factors described in section 8 of the Prospectus, prospective investors should carefully evaluate the following considerations, which set forth some, but not all, of the risks before making an investment in the Sub-Fund.

Debt Securities

Debt securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and are also subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Changes in interest rates may cause a decline in the market value of an investment. With bonds and other fixed income securities, a rise in interest rates typically causes a fall in values, while a fall in interest rates typically causes a rise in values. Bonds and other fixed income securities generally involve less market risk than stocks. However, the risk of bonds can vary significantly depending upon factors such as the issuer and maturity. The bonds of some companies may be riskier than the stocks of others.

Mortgage-Backed and Asset-Backed Securities

The Sub-Fund's may invest more than 20% of the net assets in mortgage backed securities and other asset backed securities.

Mortgage-backed securities represent an interest in a pool of loans secured by mortgages. When market interest rates decline, more mortgages are refinanced and the securities are paid off earlier than expected. Prepayments may also occur on a scheduled basis or due to foreclosure. When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage refinancings and prepayments slow, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed-income securities.

Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include, but are not limited to, such items as motor vehicle instalment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Asset-backed securities are subject to many of the same risks as mortgage-backed securities.

The value and the quality of mortgage backed securities and other asset backed securities depend on the value and the quality of the underlying assets against which such securities are backed by a loan, lease or other receivables. Issuers of mortgage backed securities and other asset backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default.

Distressed Securities

The Sub-Fund's may invest up to 20% of the net assets in distressed securities.

The Sub-Fund may purchase, directly or indirectly, debt securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these securities and investments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. In some circumstances, such debt securities may be converted to equity as part of the reorganization. A wide variety of considerations, including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others may affect the value of these securities and investments. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the access of the Investment Manager to reliable and timely information concerning material developments affecting a company, or which cause lengthy delays in the completion of the liquidation or reorganization proceedings. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to the company in which the Sub-Fund invests, the Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than the Sub-Fund's original investment.

Derivatives

A substantial portion of the Sub-Fund's assets may be invested in derivative financial instruments. In addition, the Sub-Fund may from time to time utilize both exchange-traded and over-the-counter futures, options and contracts for differences, for hedging purposes, as well as other derivatives. Regulatory restraints may restrict the instruments that the Sub-Fund may trade. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

The trading of over-the-counter derivatives subjects the Sub-Fund to a variety of risks including: (i) counterparty risk, (ii) basis risk, (iii) interest rate risk, (iv) settlement risk, (v) legal risk, and (vi) operational risk. Counterparty risk is the risk that one of the Sub-Fund's counterparties might default on its obligation to pay or perform generally on its obligations. Basis risk is the risk that the normal relationship between two prices might move in opposite directions. Interest rate risk is the general risk associated with movements in interest rates. Settlement risk is the risk that a settlement in a transfer system does not take place as expected. Legal risk is the risk that a transaction proves unenforceable in law or because it has been inadequately documented. Operational risk is the risk of unexpected losses arising from deficiencies in a firm's management information, support and control systems and procedures. Transactions in over-the-counter derivatives may involve other risks as well, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

High-Yield Securities

The Sub-Fund may invest in "high yield" bonds as part of its investment strategy and other debt securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Debt securities in the lower categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than debt securities with higher ratings in the case of deterioration or general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated debt securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated debt securities is thinner and less active than that for higher rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower rated debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Sovereign Risk; Emerging Markets

The Sub-Fund may invest in sovereign debt, and may invest in securities and instruments of developing or emerging market issuers that are or may become non-performing and/or where the issuer is in default, at the time of purchase, of principal repayment obligations. Such foreign debt securities may be subject to restructuring arrangements, which may adversely affect the value of such investments. If a foreign sovereign defaults on its foreign debt, there may be limited legal recourse against the issuer and/or guarantor.

Investments in emerging markets instruments, while generally providing greater potential opportunity for capital appreciation and higher yields than investments in more developed market instruments, may also involve greater risk. While the Investment Manager intends to manage the Sub-Fund in a manner that will minimize the Sub-Fund's exposure to unreasonable risks within the emerging markets asset class, and to diversify the Sub-Fund's investments among various emerging countries, there can be no assurance that adverse political and economic risks will not cause the Sub-Fund to suffer a loss of principal or interest in respect of any of its holdings.

Many laws that govern private and foreign investments, securities transactions, and other contractual relationships in emerging markets are relatively new and largely untested. As a result, the Sub-Fund may be subject to certain risks not present in more developed markets, including unclear and changing laws, inconsistent enforcement of laws, and difficulty in enforcing payment obligations.

Investment in emerging markets may expose the Sub-Fund to local risks such as counterparty, repatriation, exchange controls or other monetary restrictions, taxation risks, and special considerations due to limited publicly available information, less stringent regulatory standards, and lack of uniformity in accounting.

Equity Securities

The Sub-Fund may invest in equity securities, and expects to hold both long and short positions in such securities. Such investments will be subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

"New Issues"

The Sub-Fund may invest in "new issues," which pose unique risks arising out of their transient illiquidity, lack of trading history and concentration of ownership. In the event that the Sub-Fund elects to trade "new issues," Shareholders of the Sub-Fund that are "restricted persons" under applicable FINRA Rules may not be permitted to participate or participate fully in the returns generated by those trades.

Convertible Securities

Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates like bonds and, in addition, fluctuates in relation to the underlying common stock. In addition, convertible securities are often held in large concentrations by levered investors and hence may be materially devalued when those investors are selling, irrespective of the underlying issuer's financial health.

4. Base Currency

The Base Currency of the Sub-Fund is the USD.

5. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "Mixed UCIs" type.

6. Dealing Day

The Dealing Day of the Sub-Fund will be every Wednesday that is a Banking Day provided that where such Dealing Day would fall on a day observed as a holiday, such Dealing Day shall then be the next Banking Day following such holiday.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day, upon two days' prior written notice. The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day.

7. Launch Date

The Sub Fund was launched on 12 December 2016.

8. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the Summary of Shares table; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(a) The Investment Manager will receive an **Investment Management** Fee of up to 2% per annum of the Net Asset Value of the relevant Share Class (as specified in the Summary of Shares table below), prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable monthly in arrears.

(b) The Management Company will receive a **Distribution Fee** of up to 2% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the Summary of Shares table below).

(c) For the avoidance of doubt, with regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(d) the Investment Manager will receive a **Performance Fee** of up to 15% of New Net Appreciation (as specified in the table Summary of Shares below). The Performance Fee is calculated by reference to each Share Class High Water Mark. The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

(e) If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

(f) The Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the Summary of Shares table below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

9. Investment Manager

The Sub-Fund will be managed by KLS Diversified Asset Management LP, a company formed in November 2007 under the laws of Delaware. KLS Diversified Asset Management LP is registered as an investment adviser with the U.S. Securities and Exchange Commission.

10. Conflict of Interests

Bank of America Corporation, through its affiliates ("**Bank of America**") owns a non-voting minority equity interest in the Investment Manager and an affiliate, entitling Bank of America to participate in the net income of the Investment Manager and such affiliate. As an equity owner, Bank of America participates ratably in capital transactions involving the Investment Manager and such affiliate. Bank of America has limited veto and consultation rights with respect to certain decisions of the Investment Manager and such affiliate (consistent with its minority equity interest), but has no input into or control over the Investment Manager's trading with respect to the Sub-Fund. Merrill Lynch Fund Investors, Inc., the entity through which Bank of America owns its non-voting minority equity interest in the Investment Manager and such affiliate, is a Delaware corporation that is an indirect, wholly owned subsidiary of Bank of America.

The Sub-Fund may use certain of Bank of America's affiliated entities ("**BAC Affiliates**") as OTC Derivative counterparties. Investors in the Sub-Fund should recognize that BAC Affiliates may receive significant economic benefit from the Sub-Fund other than through its equity interest in the Investment Manager and KLS GP Holdings as a limited partner in KLS Diversified Fund (Merrill Lynch) LP.

The Management Company and the Global Distributor of the Sub-Fund are wholly-owned subsidiaries of Bank of America. Bank of America also owns broker-dealers, banks and other subsidiaries involved in financial services. Bank of America and its employees manage other investment funds, including funds proprietary to Bank of America that may pursue investment objectives similar to those of the Sub-Fund. Bank of America may also manage discretionary accounts, in which the Sub-Fund has no interest, some of which may have investment objectives similar to the Sub-Fund. Conflicts of interest between the Sub-Fund and these affiliated entities which include, but are not limited to, those described herein may exist.

Bank of America's brokerage subsidiaries may have dealings with the Sub-Fund that may give rise to potential conflicts. BAC Affiliates may, for example, enter into transactions, as principal, with the Sub-Fund, including derivative transactions, or perform routine broker-dealer transactions.

The Sub-Fund may purchase investments that are issued, or the subject of an underwriting or other distribution, by BAC Affiliates. The Sub-Fund may invest, directly or indirectly, in the securities of issuers affiliated with Bank of America or in which Bank of America has an equity or participation interest. The purchase, holding and sale of such investments by the Sub-Fund may enhance the profitability of Bank of America's own investments in such companies.

Other present and future activities of Bank of America or BAC Affiliates may give rise to additional conflicts of interest.

11. Shares

The Sub-Fund will issue Shares as set out in the Summary of Shares table below.

Summary of Shares

Class	B	C	D	Z	Management
Type	Institutional	Retail	Institutional	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) the Sub-Fund's Net Asset Value being greater than or equal to $150 million or (b) a date to be decided by the Directors in conjunction with the Investment Manager	Available only to: (a) appointed sub-distributors which have established an investment advisory relationship in writing with their clients, in return for a fee, or to (b) appointed discretionary portfolio managers which have established an investment discretionary relationship in writing with their clients in return for a fee	Only available to employees, shareholders and Affiliates of the Investment Manager
Minimum Initial Subscription Amount	EUR 1,000,000 or USD 1,000,000 or GBP 1,000,000	EUR 10,000 or USD 10,000 or GBP 10,000	EUR 1,000,000 or USD 1,000,000 or GBP 1,000,000	EUR 10,000 or GBP 10,000	USD 10,000
Combined Investment Management and Distribution Fee	1.25% p.a.	2% p.a.	0.95% p.a.	1.25% p.a.	0% p.a.
Performance Fee	15% of New Net Appreciation	15% of New Net Appreciation	10% of New Net Appreciation	15% of New Net Appreciation	0% of New Net Appreciation
Sales charge	None	Up to 5%	None	Up to 5%	None
Redemption charge	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	Up to 0.40% p.a.

TWENTIETH SUPPLEMENT: MERRILL LYNCH INVESTMENT SOLUTIONS – MILLBURN DIVERSIFIED UCITS FUND

This Supplement is valid only if accompanied by the currently valid Prospectus of MERRILL LYNCH INVESTMENT SOLUTIONS. This Supplement refers only to MERRILL LYNCH INVESTMENT SOLUTIONS – MILLBURN DIVERSIFIED UCITS FUND (the "**Sub-Fund**").

1. Investment Objective, Policy, Strategy and Portfolio Construction

1.1 Investment Objective

The investment objective of the Sub-Fund is to achieve capital appreciation through a fully systematic and quantitative trading approach that seeks to profit from opportunities in a wide array of liquid markets.

The Sub-Fund will be managed by Millburn Ridgefield Corporation (the "**Investment Manager**").

There can be no assurance that the Sub-Fund will achieve its investment objective.

1.2 Investment Policy

The Sub-Fund will seek to achieve the investment objective primarily through investing in spot, forwards, exchange-traded futures, swaps, options and transferable securities linked to foreign currency, interest rate instruments, bonds, equity indices, metals, energy and agricultural commodities. The Investment Manager may also consider other liquid instruments including exchange-traded funds, equity securities and derivative instruments linked to these for future inclusion in the portfolio.

Any investments in metals, energy and agricultural commodities (collectively, "**Commodities**") will be made indirectly through eligible transferable securities which do not embed a derivative instrument, the performance of which is linked indirectly, through to one or more investment vehicles, to the performance of commodity related financial assets such as commodity futures contracts. The Sub-Fund will not directly acquire physical commodities, nor will it invest directly in any derivative that has physical commodities as an underlying asset. The exposure of the Sub-Fund to any single commodity will not exceed 20% of the Sub-Fund's assets.

In addition, the Sub-Fund may engage in short sales via the use of derivative instruments. Derivative instruments may be exchange-traded or over-the-counter.

The Sub-Fund may retain substantial amounts in cash or cash equivalents (including money market funds or short-dated and high quality government or supranational bonds) as appropriate to achieve its investment objective.

The Sub-Fund will not invest more than 10% of its Net Asset Value in units of other UCITS or other collective investment undertakings.

The Sub-Fund will only invest in eligible investments in accordance with all the restrictions and limits set forth in the Law of 17 December 2010 and all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, as amended and updated from time to time.

1.3 Investment Process & Strategy

The Investment Manager makes its systematically-based investment and trading decisions using a proprietary systematic quantitative trading methodology, which may include technical trend analysis and certain non-traditional technical systems. The goal of this approach is to determine relatively near term forecasts for each traded instrument and take appropriate, risk managed long or short positions based on a wide set of data inputs or factors. These factors include price data, but also a range of price derivative and non-price data. The models utilised by the Investment Manager analyse data inputs over a time spectrum from several minutes to multiple years and are intended to be able to detect and take advantage of longer-term, persistent trending activity (up or down), as well as short-term or idiosyncratic market behaviour.

The Investment Manager is engaged in an ongoing research effort to improve and adapt its trading methods and to apply its quantitative analytic expertise to new financial instruments.

It is the Investment Manager's belief that such systematic strategies can provide value to an investor's portfolio during strongly trending markets (up or down), but also during periods of more volatile or "sideways" market behaviour. It is accepted that a large proportion of trades generated by quantitative models may be unprofitable. The Investment Manager's objective is to make fewer but larger profits, more than offsetting possibly more numerous but smaller losses. Consequently, during periods in which market behaviour differs significantly from that analysed to build the models, substantial losses are possible, and even likely.

The success of the Investment Manager's approach relies on the development and selection of the trading systems used in each market, and the efficient allocation of portfolio risk among the markets available for trading. Market environments change over time, and particular systems may perform well in one environment but poorly in another. Likewise, market sectors and individual markets go through periods where systematic trading is very profitable and other periods where no system is able to generate any profits.

The goal of the Investment Manager's research has been to develop and select a mix of systems in each market and to diversify risk across a wide array of markets, so as to manage the overall portfolio risk, while allowing exposure to profitable opportunities.

With respect to portfolio allocation, the Investment Manager's approach generally seeks maximum diversification whilst paying close attention to liquidity and sector concentration, and each market is traded using a diversified set of model inputs, which may be optimized for groups of markets, sectors or specific markets.

The Investment Manager's statistical learning approaches can enable the signal-generation models to adapt over time, with the goal of reflecting underlying structural properties of markets and the importance of particular factors during a range of market conditions. Risks of over-fitting to recent data are reduced through the careful application of statistical techniques and the use of often decades of historic data in the construction of the models.

1.4 FX Hedging

The FX hedging function with respect to the non-Base Currency Shares shall be performed by State Street Europe Limited.

2. Risk Management

The Management Company is responsible under the supervision of the Board of Directors for the risk management in relation to the Sub-Fund and may, as the case may be, give instructions at any time to the Investment Manager with a view to complying with the investment restrictions laid down in section 6 of the Prospectus. The unit of the Management Company responsible for the risk management of the Company is independent from the units or entities responsible for the management of the Sub-Fund. For further information on risk management, investors should refer to section 11.6 of the Prospectus "Risk Manager".

In addition to the risk management performed by the Management Company, risk management forms an integral part of the investment process of the Investment Manager. As a systematic manager, the measurement, management and control of investment risks is built into the quantitative models and the portfolio construction process. Human oversight by the Investment Manager ensures the risks are managed and systems perform as expected.

3. Risk Profile and Risk Factors

In accordance with the CSSF Circular 11/512, the Sub-Fund will use an absolute value at risk (VaR) approach to monitor its global exposure.

There are two methods of calculating the leverage of a Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notional of financial derivative instruments approach, the Sub-Fund's expected level of leverage will generally vary from 500% to 3000% of the Sub-Fund's Net Asset Value. Based on the commitment approach, the Sub-Fund's expected level of leverage will generally vary from 500% to 3000% of the Sub-Fund's NAV. The Sub-Fund's level of leverage may possibly be higher under certain circumstances including but not limited to a low market volatility environment.

From time to time, the Sub-Fund may use Total Return Swaps. The Sub-Fund's exposure resulting from the use of Total Return Swaps is expected to represent 0% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund may use Total Return Swaps which underlying will mainly consist in equity indices and equity securities in order to implement its investment policy.

The Sub-Fund's exposure to Repurchase Transactions is expected to represent 80% of its Net Asset Value and will not exceed 100% of its Net Asset Value. In certain circumstances, these proportions may be higher.

4. Specific Risk Warnings

The value of the Sub-Fund's assets is linked to the performance of a portfolio of securities, cash instruments, currencies and derivatives, the values of which may rise and fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. Investors could lose the whole of their initial investment.

Although the notional amounts of the short term interest rate futures transactions that make up the investment strategy will be large in absolute terms (because such transactions have a short duration so that they are significantly less sensitive to movements in interest rates than longer term transactions), the diversification and risk limitation within the investment strategy are designed to ensure that no single component of the investment strategy will unduly influence its performance. Furthermore, to the extent that the Sub-Fund may use leverage through financial derivative instruments, the value of the respective Share Class may rise or fall more quickly than if there was no leverage.

As the Sub-Fund will invest in eligible commodity-linked transferable securities, it is intended that the underlying commodity-related assets will provide exposure to different Commodities in accordance with the principle of risk spreading. The Sub-Fund's investments in commodity-linked transferable securities are subject to credit and financial risks such as the solvency of their issuers and market movements in their underlying commodity-related assets as well as operational risks related to the issuer of such transferable securities.

By investing in commodity-linked transferable securities, the Sub-Fund seeks to maintain an indirect exposure to commodity-related assets consistent with that of the Investment Manager's proprietary systematic quantitative trading methodology (the "**Investment Program**"). However, the dealing and settlement process for commodity-linked transferable securities is different than that for directly accessed commodity-related assets, such as commodity futures contracts, as referenced by the Investment Manager's Investment Program. Prospective investors should note that there may be times where, because of such dealing and settlement process, the valuation of the commodity-linked transferable securities, and/or other timing constraints in the management of the Sub-Fund, the Sub-Fund will be over- or underexposed to Commodities, relative to the exposure intended by the Investment Manager's Investment Program. This may cause the performance of the Sub-Fund to diverge from that of the Investment Manager's Investment Program if it could directly access Commodities using commodity futures contracts.

The issuers of commodity-linked transferable securities and of the underlying commodity-related assets may be subject to certain operational risk including, but not limited to, the risk of service providers not performing their obligations, changes in legal, tax, accounting and regulatory requirements applicable to the issuers and/or the underlying commodity-related assets, and valuation risk.

There are transaction costs associated with the eligible transferable securities used to gain indirect access to the Commodities that will have an impact on the performance of such securities. The performance of the Sub-Fund will therefore be lower than if the Commodities could be accessed directly.

The Investment Manager relies heavily on computer hardware and software, online services and other computer-related or electronic technology and equipment to facilitate the Sub-Fund's investment activities. Specifically, the Sub-Fund may trade financial instruments through electronic trading or order routing systems, which differ from traditional open outcry pit trading and manual order routing methods. Such electronic trading exposes the Sub-Fund to risks associated with system or component failure, which could render the Investment Manager unable to enter new orders, execute existing orders or modify or cancel previously entered orders. System or component failure may also result in loss of orders or order priority. Should events beyond the Investment Manager's control cause a disruption in the operation of any technology or equipment, the Sub-Fund's investment program may be severely impaired, causing it to experience substantial losses or other adverse effects.

In addition to the specific risk warnings listed above, investors should refer to the "Risk Factors" in section 8 of the Prospectus in particular, 8.1.13 Model Risk, 8.4.12 Futures and 8.5.14 Commodities and Energies.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Tolerance Threshold

For the purpose of section 15 of the Prospectus in respect of the relevant tolerance threshold applicable to assess the materiality of a NAV error, the Sub-Fund should fall under the "mixed UCIs" type.

7. Valuation Day

The Valuation Day of the Sub-Fund will be each Banking Day.

8. Dealing Day

The Dealing Day of the Sub-Fund will be each Valuation Day. In addition, the Net Asset Value is calculated on every Banking Day, for fee calculation purposes.

Shares in the Sub-Fund may be subscribed for or redeemed on any Dealing Day.

9. Launch Date

The Sub Fund was launched on 8 March 2017.

10. Subscription and Redemption Procedure

The Dealing Deadline is 12 noon Luxembourg time on the second Banking Day prior to the relevant Dealing Day. Subscription and Redemption requests received after this deadline shall be calculated on the basis of the Net Asset Value per Share for the relevant Class of Shares as of that next following Dealing Day.

11. Fees and Expenses

The amount of Fees listed below may vary on a per Share Class basis as specified in the table Summary of Shares; the fees will be payable out of the assets attributable to the relevant Share Class as follows:

(i) the Investment Manager, will receive an **Investment Management Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class (as specified in the table Summary of Shares below), prior to reduction for any accrued Performance Fee.

(ii) the Management Company will receive a **Distribution Fee** of up to 2.25% per annum of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee (as specified in the table Summary of Shares below).

For the avoidance of doubt, in regard to any specific Share Class, the aggregate of the Investment Management Fee and the Distribution Fee will not exceed the Combined Investment Management and Distribution Fee stated in the table below entitled Summary of Shares.

(iii) the Investment Manager will receive a **Performance Fee** of up to 20% of New Net Appreciation calculated by reference to each Share Class' High Water Mark (as specified in the table Summary of Shares). The first Calculation Period will cover the period between the Sub-Fund's launch date of 8 March 2017 and 31 March 2017. The New Net Appreciation of a Share Class shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark attributable to such Share Class.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Investment Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class.

(iv) the Management Company will receive an **Administrative and Operating Fee** equal to a percentage (as specified in the table Summary of Shares below) of the Net Asset Value of the relevant Share Class calculated in the same manner as for the calculation of the Investment Management Fee.

12. Investment Manager

The Sub-Fund will be managed by Millburn Ridgefield Corporation, a company formed on 19 May 1982 under the laws of Delaware. Millburn Ridgefield Corporation is registered as an investment adviser with the U.S. Securities and Exchange Commission, and as a CPO and as a Commodity Trading Advisor ("**CTA**") with the CFTC and is a member of the National Futures Association ("**NFA**") in the United States.

The Investment Manager and The Millburn Corporation ("**TMC**") have entered into a services agreement whereby TMC is providing the Investment Manager with research, trade order entry acting on the instructions of the Investment Manager, technology, operations, marketing, accounting, tax, legal, compliance, human resources, administration and marketing support services.

13. Shares

Share Classes are as described in the Summary of Shares table below.

A Share Class which is denominated in a currency which is not the Base Currency of the Sub-Fund will aim to hedge the currency exposure of such Share Class.

Summary of Shares

Class	B	C	D	X	Z	Management
Type	Institutional	Retail	Institutional	Institutional	Retail	Retail
Availability	Available to all Institutional Investors	Available to all investors	Available to Institutional Investors only until the earlier of: (a) the Sub-Fund's Net Asset Value being greater than or equal to $100 million; or (b) a date to be decided by the Directors in conjunction with the Investment Manager	Available to selected Institutional Investors	Available only to: (a) appointed sub-distributors which have established an investment advisory relationship in writing with their clients, in return for a fee; or to (b) appointed discretionary portfolio managers which have established an investment discretionary relationship in writing with their clients in return for a fee	Only available to employees, shareholders and Affiliates of the Investment Manager
Minimum Initial Subscription Amount	EUR 1,000,000 or USD 1,000,000 or GBP 1,000,000	EUR 10,000 or USD 10,000 or GBP 10,000 or CHF 10,000	EUR 1,000,000 or USD 1,000,000 or GBP 1,000,000	EUR 1,000,000 or USD 1,000,000 or GBP 1,000,000	EUR 10,000 or GBP 10,000 or USD 10,000 or CHF 10,000	USD 10,000
Combined Investment Management and Distribution Fee	1.50% p.a.	2.25% p.a.	1% p.a.	Up to 1.5% p.a.	1.50% p.a.	0% p.a.
Performance Fee	20% of New Net Appreciation	20% of New Net Appreciation	15% of New Net Appreciation	Up to 20% of New Net Appreciation	20% of New Net Appreciation	0% of New Net Appreciation
Sales charge	None	Up to 5%	None	None	Up to 5%	Up to 5%
Redemption charge	0%	0%	0%	0%	0%	0%
Administrative and Operating Fee	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.	0.40% p.a.