
The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 22nd June, 2020 (the “Prospectus”), accept responsibility for the information contained in the Prospectus and in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

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

EUROPEAN EX UK INCOME FUND

(a Fund of Polar Capital Funds public limited company)

SUPPLEMENT

DATED 9th MARCH, 2021

DEFINITIONS

“Business Day”	a day on which banks and/or stock exchanges/markets are open for normal banking business in Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).
“Central Bank”	Central Bank of Ireland.
“Dealing Day”	each Business Day (provided always there shall be at least one Dealing Day per fortnight).
“Index”	<p>MSCI Daily Net Total Return Europe Ex UK Euro Index (Bloomberg: MSDE15XN)</p> <p>The MSCI Daily Net Total Return Europe Ex UK Euro Index, as currently constituted, is a free float-adjusted market capitalisation weighted index that is designed to capture the performance of large and mid-cap equities across 14 developed markets countries in Europe. When securities in local currency are included, there is no hedging of their performance in the Index. The Index measures market performance, including price performance and income from regular cash distributions. Income is assumed to be reinvested in calculating the Index and thus makes up part of the total Index performance. The Index series assumes the minimum possible reinvestment of regular cash distributions. In the calculation of this Index, MSCI uses the maximum withholding tax rate applicable to non-resident institutional investors that do not benefit from double taxation treaties. For Index calculations, all dividends are converted into Euro at the spot rate of the ex-dividend date. The Index is rebalanced quarterly in February, May, August and November. The Index is quoted in Euro. Further information can be found on www.msci.com.</p>
“Official List”	the Official List and regulated market of Euronext Dublin.
“Share Class” or “Share Classes”	such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Fund being Class I Euro Accumulation Shares, Class I GBP Distribution Shares, Class I GBP Accumulation Shares, Class I GBP Hedged Distribution Shares, Class I GBP Hedged Accumulation Shares, Class S GBP Distribution Shares, Class S GBP Accumulation Shares, Class S GBP Hedged Distribution Shares, Class S GBP Hedged Accumulation Shares, Class X GBP Accumulation Shares and Class X GBP Distribution Shares.
“SFDR”	means the Sustainable Finance Disclosure Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019.
“Valuation Point”	the close of business in the relevant markets on the Dealing Day.

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EUROPEAN EX UK INCOME FUND
(the “Fund”)

INTRODUCTION

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

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

The Shares have been admitted to the Official List and trading on the regulated market of Euronext Dublin.

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

Shareholders and prospective investors should note that all of the fees and expenses of the Fund will be charged to the capital of the Fund. This will have the effect of lowering the capital value of an investment in the Fund. Capital may be eroded, and “income” will be achieved by foregoing the potential for future capital growth. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.

The base currency of the Fund is Euro.

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

INVESTMENT OBJECTIVE

The Fund's investment objective is to deliver strong long-term risk adjusted returns to achieve both income and capital growth.

INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part (greater than 20%) of their economic activities in European markets/ countries (excluding the United Kingdom).

The Fund is considered to be actively managed in reference to the Index by virtue of the fact that (i) it uses the Index for performance comparison purposes and (ii) the performance fees payable to the Investment Manager are calculated based on the performance of the Fund against the Index. The Index is considered to be consistent with the investment policy of the Fund. However, the Index is not used to define the portfolio composition of the Fund nor as a performance target and the Fund may be wholly invested in securities which are not constituents of the Index.

It is anticipated that the Fund will target an overall yield of 10% higher than that of the Index, however, this cannot be guaranteed.

The securities in which the Fund will invest will include transferable securities, such as equities, equity warrants, preferred shares, collective investment schemes (to include UCITS and/or AIF exchange traded funds ("ETFs") which are considered for the purposes of the Regulations to be collective investment schemes) with investment policies that are consistent with the Fund's investment objective, which may be listed on a global basis on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities). Investment in closed-ended AIF collective investment schemes will be considered as an investment in transferable securities and will be subject to the relevant UCITS investment restrictions relating to investment in transferable securities. Investment in open-ended collective investment schemes will be subject to a 10% investment limit.

The Fund will invest at least 51% of its gross assets on a continuous basis directly in Equity Participations.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options), contracts for difference, swaps and securities with embedded derivatives or elements of derivative exposure such as equity warrants, details of which are set out below, to gain or reduce the Fund's exposure to equity or equity related securities or markets on a short or medium term basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach, which, in general, is based on calculating derivative exposure as the sum of the value of the assets notionally underlying each financial derivative instrument, and which is one of two methods specifically permitted under the Regulations for this purpose.

As income is a core requisite for the Fund, it is envisaged that the portfolio will comprise three distinct portions, with a different mix of dividend yield and earnings growth (i.e. the annual rate of growth of earnings from investments) in each portion, to meet the 10% dividend yield threshold specified above.

The first basket of securities are those with dividend yields below the Index, which have the potential for high capital appreciation but may dilute the Fund's overall yield.

The second basket of securities are the classic buy and hold positions that typically have dividend yields in line with the Index.

The third basket of securities consists of securities that yield more than the Index, but have lower growth. Security selection is key to this last basket to avoid value traps (i.e. bargain securities that may appear promising but over time do not perform) and dividend cuts. Taking a different and often longer-term view than the market is key to picking the right securities for this basket.

The balance of these three baskets will change over time to meet the Fund's income target, and securities will move between the baskets over time. The selection of these three baskets will be dependent on the particular yield requirement of the Fund. For example, if the Fund requires more income to meet its target it would hold more of the third basket of securities.

Investment Approach

The Investment Manager's investment focuses on bottom-up security selection.

The Investment Manager's investment approach is based on its view that the main inefficiency in the market is time horizon. This is driven by two main factors, being that many market participants are excessively influenced by short term noise (macro data points such as employment rates, GDP growth and, short term earnings disappointments etc.) and a general under-appreciation of the medium term compounding power of total shareholder returns (dividend yield plus earnings growth). For example, certain investors may only be interested in short term gains and losses, so they distort the value of a company in the short term (by buying and selling in the short term) causing a pricing inefficiency.

The Investment Manager believes that growing dividends are a compelling investment proposition, and that they will compensate investors for the additional risk relative to bonds (where usually you know how much principal you get back). The Investment Manager sees high but flat dividend yields as less compelling. Hence the Investment Manager always looks for some growth even if it may be low relative to what many market participants find exciting.

Security selection

The central theme to the Investment Manager's strategy is its conviction in the power of sustainable, medium term compounding of total shareholder return (dividend yield plus earnings growth). The Investment Manager is looking to identify investment opportunities which are mispriced, either reflecting excessive short-term pessimism for strong franchises or a failure to price in the duration or reliability of future compounding earnings. The Investment Manager does this by analysing a company's use of cash, carrying out due diligence on their business model and financial accounts.

The Investment Manager's investment approach and security selection process as detailed above will be taken into account when selecting securities for the three baskets detailed above in the section headed 'Investment Policies' while taking into consideration the overriding requirement for income or capital at the time of selection.

Portfolio Construction

The Investment Manager will typically hold between 25 and 50 securities.

The Fund is predominantly a large and mid-cap Fund. The Investment Manager will not invest in companies with a market capitalisation below €1 billion and no more than 20% of the NAV will be in companies with market capitalisation below €3 billion.

While the Investment Manager may find attractive higher risk opportunities, the Investment Manager will manage risk by holding smaller position sizes in these securities.

Active risk control is an integral part of the investment process and is incorporated into every stage of portfolio construction. The construction of the Fund's portfolio is continuously monitored by the Investment Manager.

Sell Disciplines

While the Investment Manager's investment philosophy dictates a long-term investment horizon, the reasons for holding a security are constantly reviewed and the Investment Manager maintains a strict sell discipline if to do so is in the best interests of the Fund and in order to manage overall Fund risk.

SECURITIES FINANCING TRANSACTIONS AND EQUITY SWAPS

The Fund may utilise equity swaps. The types of assets that will be subject to equity swaps will be equity securities or an equity index.

The maximum exposure of the Fund in respect of equity swaps shall be a maximum gross exposure of 100%. The net exposure is likely to remain within the range 0% to 100% of the Net Asset Value of the Fund.

Further details are set out in the Prospectus under the headings "Securities Financing Transactions and Equity Swaps", "Management of Collateral for OTC Financial Derivative Instruments and Techniques for Efficient Portfolio Management" and "Counterparty Selection Process".

FINANCIAL DERIVATIVE INSTRUMENTS

Futures

Exchange traded futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

The Investment Manager may enter into equity futures in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities that would otherwise be obtained by direct investment in equity securities.

FX Forwards

Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts.

Options

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. Options may also be cash settled.

Equity options may be purchased in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities that would otherwise be obtained by direct investment in equity securities.

Swaps

A swap is a derivative in which counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. The benefits in question depend on the type of financial instruments involved.

Equity swaps may be used in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities that would otherwise be obtained by direct investment in equity securities.

Contracts for Differences

A contract for difference is an agreement to pay out cash on the difference between the starting price of the underlying asset when the contract is opened and the price of the asset when the contract is closed. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those securities. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities.

Contracts for difference may be used in circumstances where the Investment Manager feels it is a more efficient way to gain exposure to equity securities than would otherwise be obtained by direct investment in equity securities.

Equity Warrants

A warrant is a security that entitles the holder to buy the underlying stock of an issuing company at a fixed exercise price until the expiry date.

Equity warrants may be used to gain exposure to underlying equity or equity related securities as a more efficient and cheaper alternative to direct investment in that security.

INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulation. These are set out in detail in Appendix II of the Prospectus.

INTEGRATION OF SUSTAINABILITY RISKS WITHIN THE INVESTMENT PROCESS

Sustainability Risks

The following disclosure is provided in accordance with Article 6 SFDR, which requires the Company to disclose the extent to which sustainability risks are integrated into the investment decision making process and the anticipated impacts of those risks on the financial returns of the Fund.

Sustainability risks are defined in the SFDR as environmental, social or governance events or conditions that, if they were to occur, could have actual or potential material negative impacts on the value of the investments of the Fund.

Integration of Sustainability Risks within the Investment Decision Making Process

The Investment Manager integrates sustainability risks within its investment decision making process for the Fund, both at the initial due diligence stage and as part of its ongoing monitoring.

Prior to investing in a security, the Investment Manager considers the sustainability risks posed to the issuer of the security from an environmental perspective by evaluating the potential impact of climate change on the issuer's infrastructure and customer base, the issuer's reliance on greenhouse gases as a source of fuel, the issuer's investment in new technologies or infrastructure that may increase or decrease that issuer's reliance on greenhouse gases and unclean fuels or increase the intensity of its use of natural resources and the issuer's reliance on materials that have a negative environmental impact, such as microplastics.

From a social perspective, the Investment Manager will evaluate the issuer's performance on social reporting, such as employee diversity reporting and pay gap reporting, the issuer's historic interaction with its employees, the issuer's policies and procedures designed to ensure fair employee treatment (such as grievance or whistleblowing policies), the issuer's approach to social welfare causes and any actions brought against the issuer by its employees or by society.

From a governance perspective, the Investment Manager will evaluate the issuer's adherence to required or optional governance frameworks, the issuer's board structure, the issuer's management of its conflicts of interest, the issuer's transparency in terms of its financial and non-financial reporting, the issuer's adherence to internationally accepted financial reporting standards and the issuer's policies and procedures in relation to matter such as anti-bribery and anti-corruption

The Investment Manager will consider these risks in conjunction with the financial analysis it undertakes on the security and will take a balanced approach with regarding to the merits of investing in the relevant security.

During the period that the Fund holds a security, the Investment Manager will monitor the issuer's exposure to sustainability risks with reference to the risks specifically outlined above, as well as any other sustainability risks that emerge during the holding period of the security and that the Investment Manager considers relevant to the security. Where, in the view of the Investment Manager, the relevant issuer's exposure to sustainability risks greatly increases, this will cause a review of the Fund's position in the security, which may or may not cause the Investment Manager to sell the security.

The sustainability risks relating to securities within the investment universe of the Fund are measured with reference to third party data providers ratings of the relevant issuer and through consideration of the disclosures in issuers' annual reports.

Impact of Sustainability Risks on the Returns of the Fund

It is anticipated that the occurrence of the sustainability risks could have a moderate impact on the financial returns of the Fund. The anticipated impact has been assessed through reference to the collective sustainability rating of the Fund's holdings by third party providers and analysis of balance sheets of current holdings in Fund's portfolio.

The Investment Manager acknowledges that the Fund's exposure to sustainability risks is changeable in the current environment and shall keep the Fund's exposure to these risks under periodic review. Where the Investment Manager considers, as a result of such a review, that the Fund's exposure to sustainability risks has materially changed, these disclosures will be updated accordingly.

PRINCIPAL ADVERSE IMPACT REPORTING

As permitted under Article 4 of the SFDR, the Company does not consider the adverse impacts of investment decisions on sustainability factors at an entity level (described in the SFDR as a "principal adverse impact") on the basis that it is not a financial market participant that is required to do so. This is because the Company does not have an average number of employees exceeding 500 during the financial year. The Company may choose at a later date to publish and maintain the consideration of principal adverse impacts of investment decisions on sustainability factors at an entity level.

DISCLOSURE PURSUANT TO THE TAXONOMY REGULATION

This Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

MANAGEMENT AND ADMINISTRATION

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

Investment Manager

Polar Capital LLP has been appointed as Investment Manager (the "Investment Manager") to the Company. The manager at Polar Capital LLP with prime responsibility for the Fund is Nick Davis.

Nick Davis - joined Polar Capital in September 2014 to set up the European Income team. Prior to this, he was with Threadneedle where he managed the Threadneedle European Fund and Pan European Equity Dividend Fund, both of which were top quartile performers since inception. Nick was also deputy fund manager of the Threadneedle European Select Fund. Previously, he was a sell-side analyst at Sanford Bernstein and a chartered accountant with Deloitte. Nick holds an Honours degree in Economics with French from the

University of Durham. He has been a member of the Institute of Chartered Accountants in England and Wales since 2007, has completed the Investment Management Certificate (IMC) and is a CFA charterholder.

Administrator and Depositary

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

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

VALUATION OF ASSETS

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

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

DIVIDEND POLICY

Distribution Share Classes

Dividends and Distribution Dates

If sufficient net income is available in respect of the Fund, the Directors' current intention is to declare distributions (including interest and dividends) on Distribution Shares of substantially the whole of the net income which will be distributed quarterly as detailed below.

Record Date	Ex-Dividend Date	For Distribution By
31-Mar	First Business Day in April	Last Business Day in April
30-Jun	First Business Day in July	Last Business Day in July
30-Sep	First Business Day in October	Last Business Day in October
31-Dec	First Business Day in January	Last Business Day in January

In order to enable the Fund to pay a larger distribution amount the expenses which are attributable to the Fund are charged to capital. The effect of this is that capital will be eroded to allow higher dividends to be paid, thereby reducing the potential for future capital growth.

Income Equalisation

The Fund operates equalisation in relation to all Distribution Share Classes. A Shareholder who has purchased Distribution Shares during a Distribution Period will receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Distribution Shares in the relevant Distribution Period. All Distribution Shares purchased during a Distribution Period will contain in their purchase price an amount called equalisation which represents a proportion of the income (if any) of the Fund, attributable to the relevant Distribution Share Class, that has accrued (but has not been distributed) up to the date of issue. This will be calculated daily and will be available upon request from the Administrator. The amount of equalisation is averaged across all the Shareholders of the relevant Distribution Share Class and is refunded to them as part of the first distribution after their purchase of Distribution Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Distribution Share Classes who redeem their Distribution Shares will receive an amount which will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

Shareholders of Distribution Shares may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Distribution Shares. In the absence of the Shareholder making the election as above, the Fund shall reinvest the dividend payment in Distribution Shares, until otherwise directed in writing by the Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Shareholder's risk and expense.

Failure by a Shareholder (who has specifically elected to receive dividends in cash) to provide required documentation in connection with anti-money laundering procedures will result in dividend payments being held in an Umbrella Cash Account until receipt of required documentation. Further details in respect of the operation of the Company's Umbrella Cash Account are set out in the Prospectus under the section headed "Operation of Umbrella Cash Account".

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

Any dividend paid on a Distribution Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be returned to the account of, and for the benefit of the Fund.

Accumulation Share Classes

It is not the current intention to pay dividends in respect of the Accumulation Share Classes.

UK "OFFSHORE FUNDS" REGIME

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In

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

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

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

As explained above under "Dividend Policy", the Directors intend that the Fund should make a semi-annual dividend payment to Shareholders in the Distribution Share Classes out of the investment income earned by the Fund each financial year. The Directors do not, however, intend to pay dividends in respect of the Accumulation Share Classes.

HEDGED CLASSES

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

Where the Company seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and under-hedged positions will not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above. This review will also incorporate a procedure to ensure that under-hedged positions and positions materially in excess of 100% of Net Asset Value of the Class will not be carried forward from month to month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line (subject to interest rate differentials and associated dealing costs) with the performance of the underlying assets with the result that investors in that Class will not gain if

the Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

MINIMUM SUBSCRIPTION AND MINIMUM HOLDING

Class I Shares

Subject to the discretion of the Company and the Investment Manager (taking into account applicable local regulations), the Class I Shares are for institutional investors or intended for providers of advisory services or discretionary investment management who:

- I. provide advisory services or discretionary investment management; or
- II. have separate fee arrangements with their clients and do not receive or retain trailer fees or any other fee, rebate or payment from the Fund in relation to those services and activities.

The Class I Shares are subject to a minimum subscription and minimum holding requirement of Euro 1 million (or its foreign currency equivalent).

The aggregate of an investor's investments in the Class I and Class S Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

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

Class S Shares

The Class S Shares will only be available to investors who hold at least Euro 5 million in the Share Class (subject to the discretion of the Directors to determine otherwise).

It is intended that the Class S Shares will be closed to new investors when subscription monies into the Fund totalling Euro 75 million have been received from investors (subject to the discretion of the Directors to determine otherwise).

Following the closing of Class S Shares to new investors, existing holders of Class S Shares may continue to subscribe for Class S Shares *provided* that they do not, at any point, redeem their holding of Class S Shares such that the value of Class S Shares held by them is less than the minimum holding requirement of Euro 5 million (or its foreign currency equivalent) (subject to the discretion of the Directors to determine otherwise). Any holder of Class S Shares who redeems their holding below the minimum holding requirement will not be permitted to subscribe for Class S Shares at a future date.

The Class S Shares are subject to a minimum subscription and minimum holding requirement of Euro 5 million (or its foreign currency equivalent).

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

Class X Shares

There is no minimum subscription or minimum holding requirement for the Class X GBP Accumulation Shares and Class X GBP Distribution Shares.

SUBSCRIPTIONS

Procedure

Before applying for Shares, applicants must first open an account by completing an account opening form and sending this, and such other papers (including documentation relating to money laundering prevention checks) as may be required by the Company or its delegate, to the Administrator.

Once the applicant has received confirmation from the Administrator that its account has been opened and the applicant has received its account number, the applicant can subscribe for Shares by completing the application form prescribed by the Directors in relation to the Fund ("**Application Form**"). Application Forms shall (save as determined by the Company) be irrevocable.

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

Applicants for Shares must send their completed Application Form by post, facsimile or by electronic means, provided such means are in accordance with the requirements of the Central Bank, so as to be received by the Administrator no later than 3:00pm (Irish Time) on the relevant Dealing Day. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than two Business Days following the relevant Dealing Day.

Shares in the Company will only be issued to an investor when full supporting documentation in relation to anti-money laundering prevention checks has been received to the satisfaction of the Company and the Administrator.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the then current relevant Key Investor Information Document in paper or electronic form) by post, facsimile, by electronic means, provided such means are in accordance with the requirements of the Central Bank, or telephone order, and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

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

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

The subscription price per Share shall be ascertained by:

- (a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
- (c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares which will include an amount of accrued income (see the description of "Income Equalisation" on page 10-11) will be available during normal business hours every -Business Day at the office of the Administrator and will be published daily in the Financial Times.

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

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

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

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

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

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

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

Method of Payment

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

respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

REDEMPTIONS

Procedure

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by telephone order, or by such other means including facsimile or other electronic means provided that such other means are in accordance with the requirements of the Central Bank.

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

Redemption requests in respect of the Fund must be received by the Administrator by 3.00pm (Irish time) on the relevant Dealing Day. If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

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

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

Redemption Price

The redemption price per Share shall be ascertained by:

- (a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting there from such sums as the Directors may consider represents an appropriate provision for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
- (c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

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

Fractions

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

- (a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and
- (b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

Method of Payment

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

Currency of Payment

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

Timing of Payment

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

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

Compulsory Redemption

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

Deferred Redemptions

Where the Company receives in respect of any Dealing Day requests for redemptions which in the aggregate exceed at least 10% of the total number of Shares in issue in that Fund or exceed at least 10% of the Net Asset Value of the Fund on that Dealing Day, the Directors, if in their sole discretion acting in good faith believe it shall be necessary or desirable in order not to prejudice the interests of the Shareholders not making such request, or on the grounds of liquidity or other like reason, may refuse to redeem any Shares in excess of 10% of the total number of Shares in issue in the Fund or in excess of 10% of the Net Asset Value of the Fund. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.

SWITCHING

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

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator by 3.00pm (Irish time) on the relevant Dealing Day (or such later time as the Directors may determine).

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

$$A = \frac{B \times C \times D}{E}$$

Where

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

FEES AND EXPENSES

General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading "Fees and Expenses" in the Prospectus. **All fees and expenses shall be charged to the capital of the Fund.** Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

Subscription of Shares

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

Investment Management Fees

The Investment Management fee will accrue daily and will be payable monthly in arrears as follows:

Class I Shares: 0.65% per annum of the Net Asset Value of the Class I Shares as at the Valuation Day plus VAT (if any).

Class S Shares: 0.60% per annum of the Net Asset Value of the Class S Shares as at the Valuation Day plus VAT (if any).

Class X Shares: 1.50% per annum of the Net Asset Value of the Class X Shares as at the Valuation Day plus VAT (if any).

RISK FACTORS

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