

APPENDIX 1

SUPPLEMENT TO THE PROSPECTUS OF MERIAN CHRYSALIS INVESTMENT COMPANY LIMITED FOR OFFERINGS IN OR TO PERSONS DOMICILED OR REGISTERED IN THE EUROPEAN ECONOMIC AREA

11 October 2018

This supplement (the “**Supplement**”) for offerings in or to persons domiciled or registered in the European Economic Area (the “**EEA**”) hereby supplements the prospectus dated 11 October 2018 as may be amended or supplemented from time to time (the “**Prospectus**”) for Merian Chrysalis Investment Company Limited (the “**Company**”) for the purposes described below. This Supplement is not a complete summary of, should be read in conjunction with and is qualified in its entirety by, the Prospectus, the articles of association of the Company and the alternative investment fund management agreement between the Company, Merian Global Investors (UK) Limited (the “**Investment Adviser**”) and Maitland Institutional Services Ltd (the “**AIFM**”) relating thereto and related documentation.

This Supplement is being provided to certain prospective investors as an information-only document for the purpose of providing certain summary information about an investment in the Company as required pursuant to Articles 23(1), 23(2), 23(4) and 23(5) of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and its implementing measures (the “**AIFMD**”).

This Supplement does not update any information except as specifically described herein. Capitalised terms, unless otherwise defined herein, are used as defined in the Prospectus.

AIFMD DISCLOSURE

In accordance with the AIFMD, the AIFM must disclose certain prescribed information to prospective investors because it is intended that the Prospectus is to be used to market ordinary shares in the capital of the Company to professional investors in Member States of the EEA in accordance with Articles 31 and 32 of the AIFMD. The following table indicates where the required information is located within the Prospectus or sets out the required information, to the extent applicable.

<i>Article</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
23(1)(A)	INVESTMENT STRATEGY	
1	Description of the investment strategy and objectives of the Company	Please refer to the sections titled “Investment Objective and Overview” and “Investment Policy” in Part I of the Prospectus. The “Investment Process” section in Part III of the Prospectus describes the investment strategy of the Company.
2	Description of the types of assets in which the Company may invest	Please refer to the section titled “Investment Policy” in Part I of the Prospectus.
3	Techniques the Company may employ	Please refer to the section titled “Investment Process” in Part III of the Prospectus.
4	Risks associated with those types of assets and those techniques	Please refer to the “Risk Factors” section of the Prospectus, in particular the sub-section titled “Risks related to the Company’s investment objective and strategy”.

<i>Article</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
5	Applicable investment restrictions	Please refer to the sections titled “Investment Policy” and “Investment Restrictions” in Part I of the Prospectus.
6	Use of leverage	
a.	Circumstances in which the Company may employ leverage	Please refer to the section titled “Borrowing Policy” in Part I of the Prospectus.
b.	Types and sources of leverage permitted	There are no restrictions on the type or source of leverage that the Company is permitted to incur.
c.	All risks associated with the use of leverage	Please refer to the “Risk Factors” section of the Prospectus for a description of the risks associated with the Company’s use of leverage, and in particular, the paragraph titled <i>“The Company may borrow in connection with its investment activities which subjects it to interest rate risk and additional losses when the value of its investments fall”</i> .
d.	Any restrictions on the use of leverage and any collateral and asset reuse arrangements	Please refer to the section titled “Borrowing Policy” in Part I of the Prospectus for the restrictions on the use of leverage. There are no collateral or asset reuse arrangements.
e.	Maximum level of leverage which the AIFM is entitled to employ on behalf of the Company	The Company may incur indebtedness of up to a maximum of 20 per cent. of its Net Asset Value, calculated at the time of drawdown, for investment and for working capital purposes. The maximum leverage of the Company calculated in accordance with both the gross method (under Article 7 of Commission Delegated Regulation No. 231/2013 (the “AIFMD Regulation”)) and the commitment method (under Article 8 of the AIFMD Regulation) is 120 per cent.
23(1)(B)	CHANGE OF INVESTMENT STRATEGIES OR INVESTMENT POLICY Description of the procedures by which the Company may change its investment strategies or investment policy, or both	Any material change to the investment policy of the Company will be made only with the approval of Shareholders by ordinary resolution in accordance with the provisions of the Listing Rules. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.
23(1)(C)	CONTRACTUAL RELATIONSHIPS Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established	The Company is incorporated under the laws of Guernsey and accordingly, (except as detailed below), any disputes between an investor and the Company will be resolved by the Royal Courts of Guernsey in accordance with Guernsey law. Notwithstanding the foregoing, any disputes between an investor and the Company relating to the contract to subscribe for new Shares will be governed by, and

construed in accordance with, the laws of England and Wales and the Judgements (Reciprocal Enforcement) (Guernsey) Law 1957 shall apply. Accordingly, a final and conclusive judgment under which a sum of money is payable, capable of execution, obtained in the Supreme Court and the Senior Courts of England and Wales (excluding the Crown Court) would be recognised and enforced by the Royal Courts of Guernsey against the Company, but would be subject to compliance with procedural and other requirements of Guernsey's reciprocal enforcement legislation.

23(1)(D) SERVICE PROVIDERS

1 Identity of the AIFM, the Company's depositary, auditor and other service providers

The identity of the AIFM, the Depositary, the Auditor and other service providers of the Company are set out in the section of the Prospectus titled "Directors, Investment Adviser and Advisers".

2 Description of the duties of each of those service providers

The duties of the Depositary, the Administrator, Company Secretary, Registrar and Auditor are set out in Part IV of the Prospectus and the agreements entered into with each of these service providers are described in more detail in paragraph 9, "Material contracts and Related Party Transactions" of Part VIII of the Prospectus.

The duties of the AIFM are set out in Part IV of the Prospectus and the AIFM Agreement is described in more detail in paragraph 9, "Material contracts and related party transactions" of Part VIII of the Prospectus.

The duties of the Investment Adviser are set out in Part IV of the Prospectus and the Portfolio Management Agreement is described in more detail in paragraph 9, "Material contracts and related party transactions" of Part VIII of the Prospectus.

The duties of the Joint Bookrunners are set out in Part V of the Prospectus and the Placing Agreement are described in more detail in paragraph 9, "Material contracts and related party transactions" of Part VIII of the Prospectus.

3 Description of the investors' rights in respect of those service providers

Without prejudice to any potential right of action in common law that a Shareholder may have to bring a claim against a service provider to the Company, each Shareholder's contractual relationship in respect of its investment in Ordinary Shares in the Company is with the Company only. Therefore, no Shareholder will have any contractual claim against any service provider with respect of such service provider's default pursuant to the terms of the agreement that it has entered into with the Company.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 13D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 13D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company should consult their legal adviser.

23(1)(E) PROFESSIONAL INDEMNITY LIABILITY

Description of how the AIFM covers professional liability risks

The AIFM Agreement imposes certain minimum levels of professional indemnity cover which must be maintained by the AIFM during the term of the AIFM Agreement.

Compliance by the AIFM with the terms of the AIFM Agreement will ensure that it complies with its obligations under Article 9(7) of the AIFMD to maintain professional indemnity insurance to cover liability arising from professional negligence.

23(1)(F) DELEGATIONS

23(2) Description of any delegated management functions as referred to in Annex I of the AIFMD by the AIFMD and of any safekeeping function delegated by the Depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations

In accordance with Article 20 of the AIFMD, the AIFMD has delegated its investment sourcing and negotiating in respect of the Company to the Investment Adviser.

Notwithstanding the foregoing, all activities engaged in under the provisions of the AIFM Agreement by the AIFM or any of its delegates (including the Investment Adviser) on behalf of the Company shall at all times be subject to the overall policies, supervision and review of the Board.

The Investment Adviser's conflicts of interest policy is described in the paragraph titled "Conflicts of Interest" in Part III of the Prospectus.

The Depositary has delegated the custody and safe keeping services to its affiliate Citibank N.A.

23(2) A description of any arrangement made by the depositary to contractually discharge itself of liability

The Depositary Agreement contains customary indemnities given by the Company in favour of the Depositary.

23(1)(G) VALUATIONS

Description of the Company's valuation procedure and of the pricing methodology for valuing assets, including methods used to value hard-to-value assets

Please refer to the paragraph titled "Net Asset Value publication and calculation" in Part II of the Prospectus. All assets of the Company will be valued in accordance with the methods set out in the Prospectus.

The Company's accounts and the annual report will be drawn up in British pounds Sterling and in accordance with IFRS.

23(1)(H)**LIQUIDITY RISK MANAGEMENT**

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Description of the Company's liquidity risk management, including redemption rights both in normal and exceptional circumstances and the existing redemption arrangements with investors

There are no redemption rights for Shareholders since the Company is closed-ended.

In addition, although the Company has no fixed life, pursuant to the Articles an ordinary resolution for the continuation of the Company will be proposed at the first annual general meeting of the Company to be held following the fifth anniversary of First Admission and, if passed, every three years thereafter. Upon any such resolution not being passed, proposals will be put forward to Shareholders for the reconstruction, reorganisation or winding-up of the Company within six months.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due. In managing the Company's assets, the AIFM will seek to ensure that the Company holds at all times a portfolio of assets (including cash) to enable the Company to discharge its payment obligations. The Company may also maintain a short-term overdraft facility that it may utilise from time to time for short-term liquidity purposes.

23(1)(I)**FEES AND EXPENSES**

Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors

Please refer to the section entitled "Fees and Expenses" in Part IV of the Prospectus. Since all such fees and expenses will be borne by the Company (subject to a cap of 1.5 per cent. of the Gross Issue Proceeds), they will be borne indirectly by investors. The fees payable by the Company in connection with the Initial Issue will not exceed £3 million, assuming Gross Issue Proceeds are £200 million. The costs and expenses of the Initial Issue are expected to be lower than the capped amount in the event that the Gross Issue Proceeds are £200 million or more.

No fees or expenses of the Company will be directly borne by the investors.

Given that the amount of the fees payable by the Company following First Admission are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.

<i>Article</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
23(1)(J)	FAIR TREATMENT OF INVESTORS Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIFM	<p>The Company complies with the provisions of the Listing Rules which require the Company to treat all Shareholders of a given class equally.</p> <p>Other than as disclosed in the Prospectus, the AIFM:</p> <ul style="list-style-type: none"> ● will treat investors fairly; ● will not allow any investor to obtain preferential treatment; and ● has not entered into any agreement to allow any investor to be treated preferentially.
23(1)(K)	ANNUAL REPORTS The latest annual report of the Company	<p>The Company is newly incorporated and has not yet prepared its first annual report.</p> <p>When published, annual reports of the Company can be found on the Company's website: www.Merian.com/Chrysalis.</p>
23(1)(L)	TERMS AND CONDITIONS The procedure and conditions for the issue and sale of interests in the Company	<p>The Shares will be offered by way of an Initial Placing, Intermediaries Offer, Offer for Subscription and Placing Programme. The procedure for the Initial Issue is set out in Part V of the Prospectus. The procedure for the Placing Programme is set out in Part VI of the Prospectus.</p> <p>The terms and conditions of the Initial Placing and the Placing Programme are set out in Part IX of the Prospectus.</p> <p>The terms and conditions of the Offer for Subscription are set out in Part X of the Prospectus.</p> <p>The procedures and/or conditions applying to any further issue of Shares will be set out in a prospectus or RNS announcement at the time any relevant offer is made.</p> <p>Certain restrictions on the sale and transfer of the Ordinary Shares are described in Part IX of the Prospectus under the paragraph titled "Purchase and Transfer Restrictions for US Persons".</p>
23(1)(M)	NET ASSET VALUE The latest net asset value of the Company, or the latest market price of the interests of the Company	<p>The Net Asset Value is not available as the Company is newly incorporated.</p> <p>When published, Net Asset Value announcements of the Company can be found on the Company's website: www.Merian.com/Chrysalis.</p>
23(1)(N)	HISTORICAL PERFORMANCE Where available, the historical performance of the Company	<p>No historic performance is available as the Company is newly incorporated.</p>

<i>Article</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
		When published, annual and interim financial statements of the Company can be found on the Company's website: www.Merian.com/Chrysalis .
23(1)(O)	PRIME BROKERS	
1	The identity of the prime broker and a description of any material arrangements of the Company with its prime brokers	Not applicable, the Company has not appointed any prime broker.
2	The way conflicts of interest in relation to any prime brokers are managed	Not applicable, the Company has not appointed any prime broker.
3	The provision in the contract with the depositary on the possibility of transfer and reuse of Company assets	<p>The Depositary Agreement contains provisions permitting the transfer or re-use of Company assets in connection with the Company's or the AIFM's appointment of a prime broker.</p> <p>Further details of the Depositary Agreement are set out in paragraph 9 of Part VIII of the Prospectus.</p>
4	Information relating to any transfer of liability to the prime broker that may exist	Not applicable, the Company has not appointed any prime broker.
23(1)(P)	PERIODIC DISCLOSURES	
	Description of how and when the information required to be disclosed periodically to investors under articles 23(4) and 23(5) (so far as relevant, leverage and risk profile) of the AIFMD will be disclosed	<p>The AIFM is required to disclose periodically to investors:</p> <ol style="list-style-type: none"> 1. the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature; 2. any new arrangements for managing the liquidity of the Company; and 3. the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks. <p>The information shall be disclosed as part of the Company's periodic reporting to investors, as required as an issuer of listed securities on the Main Market of the London Stock Exchange, or at the same time as the Prospectus and, at a minimum, at the same time as the Company's annual report is made available.</p> <p>The AIFM must disclose on a regular basis:</p> <ol style="list-style-type: none"> 1. any changes to: <ol style="list-style-type: none"> a. the maximum level of leverage that the AIFM may employ on behalf of the Company; b. any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and 2. the total amount of leverage employed by the Company.

Information on changes to the maximum level of leverage and any right of reuse of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay.

Information on the total amount of leverage employed by the Company shall be disclosed as part of the Company's periodic reporting to investors, as required as an issuer of listed securities on the Main Market of the London Stock Exchange, or at the same time as the Prospectus and at least at the same time as the annual report is made available to investors.

Without limitation to the generality of the foregoing, any of the information specified above may be disclosed:

1. in the Company's annual report;
2. in the Company's unaudited interim report;
3. by the issue of an announcement via a regulatory information service (or equivalent); or
4. by the publication of the relevant information on the Company website, www.Merian.com/Chrysalis.