

**SouthernSun Value Fund p.l.c.**

An open-ended umbrella investment company  
with variable capital and segregated liability between sub-funds  
incorporated with limited liability in Ireland  
under the Companies Act 2014  
with registration number 528150

**SUPPLEMENT**

**SOUTHERNSUN US VALUE FUND**

**SouthernSun Asset Management LLC**

Dated 3 January 2017

---

## 1 IMPORTANT INFORMATION

---

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

This Supplement contains information relating specifically to SouthernSun US Value Fund (the “Fund”), a Fund of SouthernSun Value Fund p.l.c. (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the Regulations.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 3 January 2017 (the “Prospectus”).**

**The Fund is suitable for investors who are prepared to accept a medium to high level of volatility.**

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

**As the price of Shares in each Fund may fall as well as rise, the Company shall not be a suitable investment for an investor who cannot sustain a loss on their investment.**

### **Profile of a Typical Investor**

**Investment in the Fund is suitable for institutional or professional investors, or longer-term retail investors. Institutional or professional investors may be investment firms, banks, corporates, pension funds, insurance companies, public sector bodies such as governmental, supranational agency or local authority, high net worth individuals or any other intermediary. The typical investor would be any of the aforementioned who are prepared to accept return on their investment over the medium to long term.**

---

## 2 DEFINITIONS

---

**Base Currency** means US Dollar;

**Business Day** means any day (other than a Saturday or Sunday) on which commercial banks are open for business in Dublin and on which the New York Stock Exchange is open and/or such other day or days as may be determined by the Directors from time to time and as notified to Shareholders in advance;

**Dealing Day** means each Business Day and/or such other day or days as the Directors may in their absolute discretion determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each Month (with at least one Dealing Day per two week period);

**Dealing Deadline** means 2 p.m.(Irish time) on the Business Day immediately preceding the relevant Dealing Day, or such other time for the relevant Dealing Day as may be determined by Directors and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point;

**Settlement Date** in respect of subscriptions and redemptions respectively shall have the meaning outlined in the section entitled "Key Information for Buying and Selling Shares" below;

**Valuation Point** means 4 p.m. Eastern Standard Time on the relevant Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

---

## 3 INFORMATION ON THE FUND

---

### 3.1 Investment Objective, Investment Policies and Investment Strategy

#### 3.1.1 Investment Objective:

The investment objective of the Fund is to provide long-term capital appreciation.

There can be no assurance that the Fund will achieve its investment objective.

#### 3.1.2 Investment Policies:

The Fund intends to achieve its investment objective by investing primarily in common stocks of small to middle capitalisation U.S. companies that the Investment Manager selects using a research-driven, value-oriented investment strategy. Small to middle capitalisation securities are securities of issuers with a market capitalization at the time of purchase within the capitalisation range of companies in the Russell 2500® Index and/or the Russell Mid Cap Index during the most recent 12 month period (based on month-end data). Further information on the Russell 2500® Index is available at [http://www.russell.com/indexes/data/fact\\_sheets/us/russell\\_2500\\_index.asp](http://www.russell.com/indexes/data/fact_sheets/us/russell_2500_index.asp) and further information on the Russell Mid Cap Index is available at [http://www.russell.com/indexes/data/fact\\_sheets/us/russell\\_midcap\\_index.asp](http://www.russell.com/indexes/data/fact_sheets/us/russell_midcap_index.asp).

"U.S. companies" shall mean companies with registered offices in the United States or carrying on their business activities predominantly in the United States or companies which, as holding companies, predominantly hold shares in companies with registered offices in the United States or carrying on their business activities predominantly in the United States.

The Fund may also, pending reinvestment, or if this is considered appropriate to the investment objective, invest on a short term basis in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper and certificates of deposit), or collective investment schemes. Any investment in collective investment schemes shall not exceed in aggregate 10% of the Net Asset Value of the Fund.

#### 3.1.3 Investment Strategy:

The Fund will typically invest in 20-40 companies. When selecting companies for investment, the Investment Manager seeks opportunities that it believes exhibit the following characteristics:

- Financial Flexibility – Seeks companies with strong internally generated discretionary cash flow and organic revenue growth.
- Niche Dominance – Seeks companies that it believes exhibit competitive advantages through superior products, process controls and technologies
- Management Adaptability – Seeks management teams with measurable, transparent goals that are held accountable for performance. This applies to multiple levels of management from the CEO and CFO to less senior management.

The Fund generally seeks to buy and hold stocks for the long-term, but will sell holdings that the Investment Manager believes have exceeded their intrinsic market value, become too large a position, experienced a change in fundamentals or are subject to other factors that may contribute to relative under performance. The Fund generally seeks to hold positions in

companies as they increase in market capitalization, potentially beyond the small to mid capitalization range, as long as the Investment Manager considers the company to remain an attractive investment with capital appreciation potential.

The Fund will invest on a long only basis.

### **3.2 Borrowing**

The Company may only borrow on a temporary basis for the account of the Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Fund. In accordance with the provisions of the Regulations, the Company may charge the assets of the Fund as security for borrowings of the Fund.

It is currently not intended for the Company to borrow for the account of the Fund.

### **3.3 Investment Restrictions**

Investors must note that the Company and the Fund adheres to the restrictions and requirements set out under the Regulations, as may be amended from time to time. These are set out in Appendix I to the Prospectus.

### **3.4 Risk Factors**

Investors should read and consider the section of the Prospectus entitled “RISK FACTORS” before investing in the Fund. However, not all of the risks disclosed in the RISK FACTORS section of the Prospectus will be material to an investment in this particular Fund. As the Fund's investment focus is on small to middle capitalisation U.S. companies, the following sub-sections shall be relevant:

The general risks disclosed in section 4.1 of the Prospectus.

The following *investment risks* disclosed in section 4.2 of the Prospectus:

- 4.2.1 General Investment Risk
- 4.2.2 Credit Risk
- 4.2.3 Changes in Interest Rates Risk
- 4.2.9 Liquidity Risk
- 4.2.10 Market Capitalisation Risk
- 4.2.12 Recent Developments in Financial Markets Risk
- 4.2.14 Repurchase Risk
- 4.2.18 Investment in CIS Risk

The following *accounting, legal, operational, valuation and tax risks* disclosed in section 4.3 of the Prospectus:

- 4.3.1 Accounting, Auditing and Financial Reporting Standards
- 4.3.2 Dependence on Key Personnel
- 4.3.3 Financial Markets and Regulatory Change

4.3.4 Investment Manager Valuation Risk

4.3.5 Lack of Operating History

4.3.6 Paying Agent Risk

4.3.7 Segregated Liability

4.3.8 Valuation Risk

4.3.9 Tax Risks

In addition to the above referenced risks, investors should also consider the particular implications of the following risks that are relevant to an investment in the Fund:

No assurance can be given that the target level of volatility will be met and the Investment Manager makes no representation that the performance of the Fund will fall within the volatility range at any given time.

The risks described in the Prospectus and this Supplement should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Fund. Potential investors should be aware that an investment in the Fund may be exposed to other risks from time to time.

### 3.5 Key Information for Buying and Selling Shares

Class	Initial Offer Period	Initial Issue Price	Minimum Shareholding**	Minimum Initial Investment Amount**	Minimum Additional Investment Amount**	Minimum Repurchase Amount**
Institutional (I) Class	The Initial Offer Period has now closed and this Share Class is continuously open for subscriptions.	US\$100	US\$100,000	US\$1,000,000	US\$10,000	US\$1,000
Institutional (I) Class Euro	The initial offer period will open at 9:00am (Irish time) on 3 January 2017 and close at 5:00pm (Irish time) on 30 June 2017.	€100	€100,000	€1,000,000	€10,000	€1,000
Investor (A) Class	The Initial Offer Period has now closed and this Share Class is continuously open for subscriptions.	US\$100	US\$250	US\$1,000	US\$250	US\$100
Investor (A) Class Euro	The initial offer period will open at 9:00am (Irish time) on 3 January 2017 and close at 5:00pm (Irish time) on 30 June 2017.	€100	€250	€1,000	€250	€100

Y Class	The Initial Offer Period has now closed and this Share Class is continuously open for subscriptions.	US\$100	US\$100,000	US\$100,000,000	US\$10,000	US\$100,000
---------	--	---------	-------------	-----------------	------------	-------------

\*\*Subject to the discretion of the Directors (or their delegate) in each case to allow greater or lesser amounts.

Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline, save in exceptional circumstances where the Directors may in their absolute discretion (reasons to be documented) determine and provided the Applications are received before the Valuation Point for the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall be treated as having been received by the following Dealing Deadline, save in exceptional circumstances where the Directors may in their absolute discretion (reasons to be documented) determine and provided they are received before the Valuation Point for the relevant Dealing Day.

Subscription Settlement Date: Subscription monies should be paid to the account specified in the Application Form (or such other account specified by the Administrator) so as to be received in cleared funds by no later than the third Business Day following the relevant Dealing Day. If payment in full and/or a properly completed Application Form have not been received by the relevant times stipulated above, the application may be refused.

Redemption Settlement Date: Payment of Repurchase Proceeds will normally be made by electronic transfer to the account of the redeeming Shareholder at the risk and expense of the Shareholder within three Business Days of the relevant Dealing Day and, in all cases, will be paid within ten (10) Business Days of the Dealing Deadline for the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

### **3.6 Dividend Policy**

The Fund is an accumulating Fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains of each Class in the Fund will be accumulated and reinvested on behalf of Shareholders.

If the Directors propose to change the dividend policy and declare a dividend at any time in the future, full details of the revised dividend policy (including details of method of payment of such dividends) will be disclosed in an updated Supplement and will be notified to Shareholders in advance.

### **3.7 Fees and Expenses**

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund.

<b>Class</b>	<b>Investment Management Fee</b>	<b>Administrator Fee*</b>	<b>Depository Fee^</b>
Institutional (I) Class	1.00%	Up to a maximum of 0.15%	0.03% per annum
Institutional (I) Class Euro	1.00%	Up to a maximum of 0.15%	0.03% per annum
Investor (A) Class	1.25%	Up to a maximum of 0.15%	0.03% per annum
Investor (A) Class Euro	1.25%	Up to a maximum of 0.15%	0.03% per annum
Y Class	1.00%	Up to a maximum of 0.15%	0.03% per annum

\*Subject to a minimum monthly fee of US\$7,000.

^Subject to a minimum monthly fee of US\$3,000.

The Investment Manager shall be entitled to a maximum annual Investment Management Fee equal to a percentage of the Net Asset Value of the relevant Class. Such fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

### **Depository Fee**

The Depository will be entitled to receive out of the assets of the Fund the fee set out above which is expressed as a percentage of the Net Asset Value of the relevant Share Class of the Fund, which shall be accrued and calculated as at each Valuation Point and which shall be payable monthly in arrears. The Depository will also be entitled to be paid a once off on boarding fee of US\$3,500 plus VAT if any thereon.

The Company shall pay out of the assets of the Fund the Depository's expenses including, but not limited to, all sub-custodians' fees (which shall be at normal commercial rates and include all transaction fees), customary agents' charges and insurance costs (where applicable), costs of obtaining data for the purposes of monitoring the portfolio of the Fund and for all other reasonable and properly vouched disbursements, costs, charges and out-of pocket expenses incurred by the Depository in the performance of its duties, including costs associated with the termination of the Fund..

### **3.8 Other Fees and Expenses**

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

#### **(a) Total Expense Ratio ("TER")**

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund:

<b>Class</b>	<b>Maximum TER</b>
<b>Institutional (I) Class</b>	Up to 1.60% per annum
<b>Investor (I) Class Euro</b>	Up to 1.60% per annum
<b>Investor (A) Class</b>	Up to 1.80% per annum
<b>Investor (A) Class Euro</b>	Up to 1.80% per annum
<b>Y Class</b>	Up to 1.15% per annum

The TER, which is expressed as a percentage of the Net Asset Value of the relevant Share Class of the Fund, represents all legitimate fees and expenses payable by the Company on behalf of the relevant Share Class of the Fund whatever the basis of their calculation (other than any Extraordinary Expenses as defined in the Prospectus), including any VAT if applicable, as detailed in the Prospectus. The TER shall not include transaction costs, interest on borrowings, payments in relation to financial derivative instruments, subscription/redemption charges or other fees paid directly by the investor, soft commissions or any other operating costs that the Directors may in their discretion determine from time to time. Any Extraordinary Expenses will be charged to the Fund in addition and will reduce the Net Asset Value of the relevant Share Class of the Fund accordingly. However, the actual TER borne by the relevant Share Class of the Fund might well be below the maximum TER indicated above.

During the life of the Fund, the maximum TER may need to be increased from time to time. Any such increase will be subject to the prior approval of Shareholders in accordance with the provision of the Articles.

Any fees and expenses of the Fund (other than Extraordinary Expenses) in excess of the TER shall be borne by the Investment Manager out of its own assets.

**(b) Anti-Dilution Levy**

The Directors reserve the right to impose an Anti-Dilution Levy in the case of net subscriptions and/or net repurchases on a transaction basis as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/repurchase calculated for the purposes of determining a subscription price or repurchase price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve value of the underlying assets of the Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be added to the price at which Shares will be issued in the case of net subscription requests and deducted from the price at which Shares will be repurchased in the case of net repurchase requests. Any such sum will be paid into the account of the Fund.

**(c) Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the Fund as detailed in the section of the Prospectus entitled "Establishment Expenses" shall be borne by the Company and amortised in accordance with the provisions of the Prospectus.

### **3.9 Miscellaneous**

Additional Funds of the Company may be added in the future with the prior approval of the Central Bank.