SouthernSun Value Fund p.l.c.
(Investment Company with Variable Capital)

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2017

Registration No: 528150

SouthernSun Value Fund p.l.c.

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SouthernSun Value Fund p.l.c.

General Information

Directors

William P. Halliday (American)
Thomas Murray* (Irish)
Paul McGowan* (Irish)

*Non-executive Directors independent of the Investment Manager.

Investment Manager, Promoter and Distributor

SouthernSun Asset Management LLC
175 Toyota Plaza, Suite 800
Memphis, TN 38119
United States

Registered Office

Up until 8 May 2017:
2nd Floor, Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

With effect from 8 May 2017:
32 Molesworth Street
Dublin 2
Ireland

Registered No. 528150

Administrator

Maples Fund Services (Ireland) Limited
32 Molesworth Street
Dublin 2
Ireland

Company Secretary

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

Independent Auditors

KPMG
Chartered Accountants, Statutory Audit Firm
90 South Mall
Cork
Ireland

Depositary

SMT Trustees (Ireland) Limited
Block 5, Harcourt Centre
Harcourt Road
Dublin 2
Ireland

Luxembourg Paying & Representation Agent

Caceis Bank Luxembourg
5 Allée Scheffer
L2520
Luxembourg

Irish Legal Advisers

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

UK Representative

Maples Fiduciary Services (UK) Limited
11th Floor, 200 Aldersgate Street
London, ECVA 4HD
United Kingdom

Irish Tax Advisers

KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Client Asset Account Holder

Brown Brothers Harriman & Co.
140 Broadway
New York, NY 10005
United States

German Information Agent**

German Fund Information Service UG (GERFIS)
Zum Eichhagen 4
21382 Brietlingen
Germany

**The prospectus, the Key Investor Information Documents ("KIIDs"), the articles, the annual and semi-annual reports, a list of changes in the composition of the portfolios, as well as the issue and redemption prices, are available free of charge pursuant to Sec. 297(1) of the German Capital Investment Code from the office of the German Information Agent.

Directors' Report

The Directors present to the shareholders their report together with the audited financial statements of SouthernSun Value Fund p.l.c. (the "Company") for the financial year ended 31 December 2017.

Review of the development of the business

The Company is an open-ended umbrella investment company with variable capital and segregated liability between Sub-Funds. The Company is incorporated with limited liability in Ireland under the Companies Act, 2014 with registration number 528150 and is authorised by the Central Bank under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and under the Central Bank (Supervision & Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (together, the "UCITS Regulations") The Company was incorporated on 28 May 2013 and its registered office is 32 Molesworth Street, Dublin 2, Ireland.

At 31 December 2017 the Company had one active sub-fund (the "Sub-Fund"), namely SouthernSun US Value Fund which launched on 28 February 2014. SouthernSun Asset Management LLC, (the "Investment Manager"), is the Investment Manager of the Company.

Investment Policies and Objectives

SouthernSun US Value Fund
The Sub-Fund intends to achieve its investment objective by investing primarily in common stocks of small to middle capitalization U.S. companies that the Investment Manager selects using a research-driven, value-oriented investment strategy. Small to middle capitalization securities are securities of issuers with a market capitalization at the time of purchase within the capitalization 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).

Results, activities and future developments

The results of operations are detailed on page 14. A detailed review of activities and future business developments is included in the Investment Manager's Report.

The Company will continue to act as an investment vehicle as set out in the Prospectus.

Directors

The following Directors held office on 31 December 2017 and throughout the financial year then ended:

William P. Halliday (American)
Thomas Murray (Irish)
Paul McGowan (Irish)

None of the Directors, their families or the Secretary hold or held any beneficial interest in the shares of the Company or its Sub-Fund during the financial year. Please see Note 10 "Related Party Transactions" for further information.

Transactions Involving Directors

SouthernSun Asset Management LLC entered into a fund distribution agreement with Paul McGowan, who is currently a Director of the Company, on 22 November 2016 agreeing that Paul McGowan will be paid a fee for the sale of shares of the Sub-Fund to potential investors in Ireland. Please see Note 10 "Related Party Transactions" for further information.

Dividends

The income and capital gains of the Sub-Fund will normally be reinvested and the Company will not ordinarily make distributions in respect of any Share Class. However, this is at the Directors' discretion. There were no dividends declared or paid during the current and prior financial years.

Accounting Records

The Directors ensure compliance with Company's obligation to maintain adequate accounting records by appointing competent persons to be responsible for them. The accounting records are kept by Maples Fund Services (Ireland) Limited, at 32 Molesworth Street, Dublin 2, Ireland.

Analysis of Key Performance Indicators

The analyses of the Company's key performance indicators, such as the performance of the Sub-Fund, are contained in the Investment Manager's Report on page 8.

Employees

The Company had no employees during the financial year ended 31 December 2017 (31 December 2016: None).

Connected Party Transactions

Regulation 41(1) of the Central Bank (Supervision and Enforcement) Act 2014 (Section 48(1)) (Undertakings for Collective Investment in Transferrable Securities) Regulations 2015 ("Central Bank Regulations") states that "a responsible person shall ensure that any transaction between a UCITS and a connected person is conducted (a) at arm's length; and (b) in the best interest of the unit-holders of the UCITS".

As required under UCITS Regulation 78(4) of the Central Bank Regulations, the Directors are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the financial period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

Statement of Relevant Audit Information

The Directors Confirm that during the financial year end 31 December 2017:
So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Significant events during the financial year

Significant events affecting the Company during the financial year are disclosed in Note 14 to these financial statements.

Significant events after the financial year end

Please see Note 15 for significant events after the financial year end.

Directors' Report (continued)

Corporate Governance Code

Regulation 13 of the European Communities (Directive 2006/46/EC) Regulations 2011, which took effect from 19 November 2009 required the Company to include a corporate governance statement in its annual report. The Company is not subject to the European Communities (Takeover Bids (Directives 2004/25/EC)) Regulations 2006. The Company has adopted in full the voluntary Code of Corporate Governance for Investment Funds and Management Companies issued by the Irish Funds ("IF") (formerly known as the Irish Funds Industry Association), the text of which is available from the IF website, www.irishfunds.ie. The Company has been in compliance with the Corporate Governance Code during the financial year ended 31 December 2017.

Directors Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations. These include all obligations which are a category 1 or 2 offence under the Companies Act, tax law, a serious market abuse offence or a serious prospectus offence, as applicable (the "relevant obligations").

In keeping with this responsibility, the Directors have:

a) drawn up a compliance policy statement setting out the Company's policies (which, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
b) put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and
c) conducted a review during this financial year of any such arrangements or structures that have been put in place.

Audit Committee

The Directors' acknowledge that they are required, under Section 167 of the Companies Act, 2014, to consider the establishment of an audit committee. The Directors believe that there is no requirement to form an audit committee as the Board has two non-executive independent directors who are involved with the review and approval of the financial statements and coordination of the audit.

Independent Auditors

KPMG, Chartered Accountants, have indicated their willingness to continue in office in accordance with section 383 (2) of the Companies Act, 2014.

Risk management objectives and policies

The principal risks and uncertainties faced by the Company are market price risk, credit risk, currency risk and liquidity risk, which are outlined in note 5 of the financial statements.

Material Changes

There was an updated prospectus issued on 3 January 2017.

ON BEHALF OF THE BOARD OF DIRECTORS

Thomas Murray | Paul McGowan

Date: 11/04 2018

SouthernSun Value Fund p.l.c.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its changes in net assets attributable to holders of redeemable participating shares for that financial year.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act, 2014, The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a depositary for safe-keeping. The Directors have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act, 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ON BEHALF OF THE BOARD OF DIRECTORS

Thomas Murray

Paul McGowan

Date: 11/04 2018

SouthernSun Value Fund p.l.c.

Depositary's Report to the Shareholders

We have enquired into the conduct of SouthernSun Value Fund p.l.c. (the "Company") for the financial year ended 31 December 2017, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ('the UCITS Regulations'), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ('the Central Bank UCITS Regulations'); and

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

SMT Trustees (Ireland) Limited
Block 5, Harcourt Centre
Harcourt Road
Dublin 2
Ireland

Sheenagh Carroll

Date: 11th April 2018

SouthernSun Value Fund p.l.c.

SouthernSun US Value Fund

Investment Manager's Report for the financial year ended 31 December 2017

The reasons behind the Fund's Performance during the preceding period (prepared and written by SouthernSun Asset Management LLC):

The performance of the SouthernSun U.S. Value Fund during the full year 2017 was positive on an absolute basis. The Y Share Class returned +9.79%, the Investor Share Class returned +8.98%, and the Institutional Share Class returned +9.33% on a net basis, while the Russell 2500™ Index returned +16.81% for the period.

Stock selection in the health care and technology sectors, led by **Envision Healthcare Corp. (EVHC)** and **Diebold Nixdorf, Inc. (DBD)**, respectively, drove most of the underperformance in the period. This was offset, in part, by stock selection in the consumer discretionary sector, led by **Polaris Industries, Inc. (PII)** and an underweight allocation to the financial services sector.

Envision Healthcare Corp. (EVHC), a leader in the consolidation of ambulatory surgical centers (ASG) and physician practice services (PPS), was the leading detractor from performance on a relative basis in the period. The company was formed from the 2016 merger of **EVHC** and AmSurg Corp. with specialties including ophthalmology and orthopedics in its ASC division and radiology, anesthesiology, and emergency medicine in the PPS division. During the period, the company reported third quarter earnings that missed estimates and lowered fourth quarter guidance significantly; the stock responded negatively to the news. We sold our position in **EVHC** in November 2017 due primarily to a loss of confidence in management, and turnover in their leadership team. In addition, we believed that we had more compelling opportunities in existing names and within our pipeline of potential investments.

Chicago Bridge & Iron Company, NV (CBI), a specialty engineering and construction (E&C) firm that provides design, fabrication and construction for global energy, natural resources and infrastructure projects, was another leading detractor from performance on a relative basis in the period. **CBI** is a leader in liquefied natural gas (LNG) projects, refinery projects, and flat-bottomed tank construction for energy storage. The company also oversees projects in the petrochemical and global power industries. During late 2016 and early 2017 we analyzed what we believed were challenges that the company faced regarding the timing of the completion of projects, litigation arising from the sale of the nuclear business to Westinghouse Electric Company, the CEO's sale of shares, and the long-term outlook for several of their end markets – particularly, petrochemical and LNG markets. Additionally, the company announced its intention to sell certain strategic segments in order to shore up a stressed balance sheet. Early in 2017, we reduced our position in **CBI**. Following the release of first quarter earnings in May 2017, we ultimately decided to sell our remaining shares in the company. While the board of directors decided to replace the CEO and **CBI** received a favorable legal ruling, the investment thesis had deteriorated, and we believed the prudent decision was to sell out of the name.

Centene Corporation (CNC), a multi-line managed care organization providing Medicaid and other related services through government subsidized programs, was the leading contributor to performance on a relative basis in the period. **CNC** closed its acquisition of HealthNet in 2016 and the stock responded positively. We contend that the company continued to generate consistent levels of discretionary cash flow during the last year and that the stock is valued attractively versus those cash flows. We believe that the HealthNet acquisition provided **CNC** entry to the large and potentially lucrative California market and adds to its competencies in non-Medicaid programs, where existing customers have expressed further interest in its capabilities. Additionally, we assert that **CNC**'s investments in people and technology have contributed positively to its growth and the execution of its strategy. We believe that the headline risk surrounding the Affordable Care Act (A.C.A.) provided a short-term headwind to the stock price. During September 2017, the company announced the acquisition of Fidelis Care. We believe that this deal is attractive because it is accretive to earnings from the outset, and it adds to the company's scale by providing it entry to New York State, the country's second leading Medicaid market. We contend that **CNC** continues to capitalize on existing opportunities in Medicaid and Medicare management for state governments. We believe that **CNC** has prospects for growth over the long term and that it provides affordable solutions of high quality to its customers in the health care sector.

SouthernSun US Value Fund

Investment Manager's Report for the financial year ended 31 December 2017 (continued)

The reasons behind the Fund's Performance during the preceding period (prepared and written by SouthernSun Asset Management LLC): (continued)

Polaris Industries, Inc. (PII) was another leading contributor to performance on a relative basis in the period. **PII** designs, engineers, manufactures, and markets snowmobiles, off-road vehicles ("ORV"), motorcycles and other small vehicles in the United States, Canada, and Western Europe. We believe that **PII** continues to build on a track record of innovation and market leadership and has demonstrated acumen in capital allocation. **PII** currently maintains a market share in the ORV market of more than twice its nearest competitor, and we believe that the company is on track to achieve its long-term growth and profit improvement goals through organic growth and acquisitions. We have monitored **PII**'s recent "bolt-on" acquisitions and extension of its credit facilities with interest. We remain confident in senior management and believe that the company's historic emphasis on research, development and innovation remains a factor that differentiates **PII** competitively. The positive stock price performance in the period coincided with a quarterly earnings' release which reported double digit sales growth, market share gains in ORV, growth in Indian motorcycle sales against the backdrop of weak industry numbers and the continued integration of the Transamerican Parts acquisition.

Building long-term relationships with executive and operational management at our portfolio companies is a trademark of our investment process. Whether this entails traditional meetings at company headquarters, plant and facility tours, or attendance at trade shows and industry conferences, we contend that this level of due diligence helps us to better understand how management prioritizes capital allocation, creates scale and effects consolidation over various industry and market cycles. In 2017 several portfolio companies made management changes including **Flowserve Corp. (FLS), Hanesbrands, Inc. (HBI)** and **Diebold Nixdorf, Inc. (DBD)**. We believe that our ability to assess the capabilities of these new or promoted executives reaffirms why we place such importance on this part of our investment approach. Management changes at our holdings automatically trigger a review of the investment thesis as part of our risk management process and assigning a fresh set of eyes from the investment team to the company remains part of this assessment.

We continued to allocate significant research time to meetings with executive and operational management at our companies. Several visited our Memphis office in 2017 including **Timken Company (TKR)**, **Knowles Corp. (KN)**, and **DBD**. We spent time in board rooms at company headquarters while also visiting plants and facilities both in the U.S. and abroad. The number of company visits ticked up slightly from 2016 to 2017. We believe that these visits allow us to better assess management's abilities while revealing further detail regarding operational improvements, product development, cost structures and competitive positioning.

We have added new five names to the fund's portfolio in 2017. **The Brink's Company (BCO)** is a global leader in the safe transport of cash and other valuables. Its new management team, hired in 2016, has implemented a three-year strategic plan focused on organic growth, acquisitions and improving logistics. **Diebold Nixdorf, Inc. (DBD)** is a leading global provider of hardware, software and related services to the banking and retail industries. The 2016 acquisition of Wincor Nixdorf gives it commanding share in the automated teller machine (ATM) markets in North America, South America and Europe. A third addition, **Dycom Industries, Inc. (DY)** is a leading provider of specialty contracting services, primarily serving telecommunication providers throughout the U.S. and Canada. The company is a market share leader that we believe is poised to capitalize on growing consumer demand for bandwidth and the related fiber deployments by telecom providers. **DY**'s senior executives have tenure with the company that exceeds ten years and are significant shareholders. **Extended Stay America, Inc. (STAY)** is a hotel chain focused on the extended stay customer segment of the U.S. lodging industry. It is the largest pureplay chain of its kind and currently owns and manages 625 hotels. We contend that demand for this type of lodging currently exceeds supply and that **STAY** has articulated a plan to grow via internal investment in new properties and by engaging franchisees in certain markets.

SouthernSun US Value Fund

Investment Manager's Report for the financial year ended 31 December 2017 (continued)

The reasons behind the Fund's Performance during the preceding period (prepared and written by SouthernSun Asset Management LLC): (continued)

Finally, **CommScope Holding Company, Inc. (COMM)** is a global leader in providing infrastructure solutions for communications networks. We assert that it is well-positioned to address the challenges and opportunities of an increasingly connected and data-driven world. We are also impressed with the sophistication of **COMM**'s manufacturing facilities. It has demonstrated an ability to grow its margin profile and is led by a seasoned management team of industry veterans averaging more than 25 years of experience.

The Adviser's Outlook for the market and how it will affect the Fund over the next quarter:
While there is nothing magical about the end of the calendar year, it can offer a time for reflection on the events of the previous twelve months. In 2017, the U.S. equity markets continued their march upward led, in part, by outperformance in the technology sector. We continued to engage regularly with our portfolio companies and our observations have led to favorable outlooks for several of our industrial businesses. We have observed customer-led innovation; technology and innovation applied in businesses that have traditionally resisted it; and what should be improving conditions for reinvestment by industrial-related businesses, driven largely by tax reform and accelerated depreciation. We have also noted the organic growth that several of our companies have reported recently, and assert that they are reporting organic growth with both consistency and frequency not seen in our portfolio in several years. Additionally, improving global purchasing manager index metrics and an increase in industrial landfill volumes may be good indicators for industrial activity.

We are pleased with the current positioning of our portfolios. Our largest allocations remain in the producer durables sector and we believe that we have emerged from the industrial recession that commenced in late 2014 with the collapse in oil prices and other commodities. We contend that our businesses' financial strength allowed many of them to allocate capital during the trough of their business cycle and that they are now poised to reap the benefits of those investments. We look to construct portfolios of businesses that possess scale, are strong in their market niche, and possess financial flexibility; we believe that the combination of these characteristics coupled with an industrial recovery should position our portfolio companies to perform well in the coming years. We believe the new names that we have added recently bring with them proven capabilities in areas such as distribution and brand strength that strengthen the portfolio further.

Fund Assets:
The SouthernSun U.S. Value Fund was launched on February 28, 2014. The fund had total assets under management of approximately $82.2 million as of December 31, 2017. The Y share class totaled approximately $82.1 million, the Institutional share class totaled approximately $11,600, and the Investor share class totaled approximately $110,800.

Compliance Update:
SouthernSun's Chief Compliance Officer, William Halliday, confirms that to the best of his knowledge, investment decisions made during the period were compliant with the Fund's stated investment objective, policies, strategy and restrictions disclosed in the Fund's prospectus and supplement.

SouthernSun Asset Management LLC
11th April 2018

SouthernSun Value Fund p.l.c.

<u>**Independent Auditor's report to the members of SouthernSun Value Fund p.l.c.**</u>

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of SouthernSun Value Fund p.l.c ('the Company') for the financial year ended 31 December 2017, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders or Redeemable Participating Shares and Statement of Cash Flows, and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

We have nothing to report on going concern
We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual report together with the financial statements. The other information comprises the information included in the directors' report, depository's report and investment manager's report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.
Based solely on our work on the other information

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinion on other matter prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Conboy

Karen Conboy

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

90 South Mall

Cork

Ireland

Date 11th April 2018

SouthernSun Value Fund p.l.c.

Statement of Financial Position

As at 31 December 2017

	Note	SouthernSun US Value Fund/Total 31 December 2017 US$	SouthernSun US Value Fund/Total 31 December 2016 US$
Assets			
Deposits with credit institutions	3(e), 5(b)	5,723,508	4,260,005
Dividends receivable		22,665	30,445
Other receivables		282,681	319,194
Financial assets at fair value through profit or loss - Transferable Securities – Equities	5,6	76,372,057	73,445,602
Total assets		82,400,911	78,055,246
Liabilities			
Accrued expenses	9	(174,152)	(185,873)
Total liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		(174,152)	(185,873)
Net assets attributable to holders of Redeemable Participating Shares		82,226,759	77,869,373

ON BEHALF OF THE BOARD OF DIRECTORS

Thomas Murray　　　　Paul McGowan

Date: 11/04 2018

The accompanying notes form an integral part of these financial statements.

SouthernSun Value Fund p.l.c.

Statement of Comprehensive Income

For the financial year ended 31 December 2017

	Note	SouthernSun US Value Fund/Total Financial year ended 31 December 2017 US$	SouthernSun US Value Fund/Total Financial year ended 31 December 2016 US$
Income			
Interest income		28,344	-
Dividend income		982,823	990,940
Other income		10,137	-
Net realised (loss)/gain on financial assets held at fair value through profit or loss		(4,715,258)	128,311
Net change in unrealised gain on financial assets held at fair value through profit or loss		12,468,296	11,293,797
Net foreign exchange differences		7,187	-
Net investment income		8,781,529	12,413,048
Expenses			
Investment management fees	9,10	(801,292)	(740,325)
Administration fees	9	(126,885)	(146,983)
Directors' fees	9,10	(56,528)	(54,131)
Audit and related services fee	9	(19,786)	(15,992)
Depositary fees	9	(20,005)	(23,020)
Legal fees		(35,222)	(130,000)
Other operating expenses		(207,574)	(151,752)
Expense cap reimbursement	9,10	318,301	436,900
Total operating expenses		(948,991)	(825,303)
Operating profit for the financial year before withholding tax		7,832,538	11,587,745
Withholding tax	8	(293,825)	(284,937)
Increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations		7,538,713	11,302,808

The accompanying notes form an integral part of these financial statements.

SouthernSun Value Fund p.l.c.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the financial year ended 31 December 2017

	Note	SouthernSun US Value Fund/Total Financial year ended 31 December 2017 US$	SouthernSun US Value Fund/Total Financial year ended 31 December 2016 US$
Net assets attributable to holders of Redeemable Participating Shares at beginning of the financial year		77,869,373	67,456,830
Proceeds from issue of Redeemable Participating Shares	7	1,482,105	1,715,961
Payments for redemption of Redeemable Participating Shares	7	(4,663,432)	(2,606,226)
Net decrease in net assets from share transactions		(3,181,327)	(890,265)
Increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations		7,538,713	11,302,808
Net assets attributable to holders of Redeemable Participating Shares at end of the financial year		82,226,759	77,869,373

The accompanying notes form an integral part of these financial statements.

SouthernSun Value Fund p.l.c.

Statement of Cash Flows

For the financial year ended 31 December 2017

	SouthernSun US Value Fund/Total Financial year ended 31 December 2017 US$	SouthernSun US Value Fund/Total Financial year ended 31 December 2016 US$
Cash flows from operating activities		
Increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations	7,538,713	11,302,808
Adjustment for:		
Proceeds from sale of investments	21,190,093	14,390,833
Purchase of investments	(16,363,510)	(14,024,100)
Realised loss/(gain) arising from sale of investments	4,715,258	(109,757)
Change in unrealised gain on investments	(12,468,296)	(11,293,797)
Decrease in dividends receivable	7,780	695
Decrease/(Increase) in other receivables	36,513	(282,131)
Decrease in accrued expenses	(11,721)	(92,567)
Net cash provided by/(used in) operating activities	4,644,830	(108,016)
Cash flows from financing activities		
Proceeds from issue of Redeemable Participating Shares	1,482,105	1,715,961
Payments for fund shares redeemed	(4,663,432)	(2,606,226)
Cash used in financing activities	(3,181,327)	(890,265)
Net change in cash and cash equivalents	1,463,503	(998,281)
Net cash and cash equivalents at beginning of the financial year	4,260,005	5,258,286
Net cash and cash equivalents at end of the financial year	5,723,508	4,260,005
Taxation paid	(287,025)	(284,937)
Interest received	28,344	-
Dividends received	990,603	991,635

The accompanying notes form an integral part of these financial statements

Notes to Financial Statements for the financial year ended 31 December 2017

1. General Information

SouthernSun Value Fund p.l.c (the "Company") is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds. The Company was incorporated on 28 May 2013 with limited liability under registration number 528150. At 31 December 2017, the company had one Sub-Fund (the "Sub-Fund") in operation, the SouthernSun US Value Fund.

The Sub-Fund's investments are managed by its Investment Manager, SouthernSun Asset Management LLC (the "Investment Manager"), an investment management firm principally authorised and regulated in the United States of America by the Securities and Exchange Commission.

The Sub-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 Sub-Fund will be accumulated and reinvested on behalf of Shareholders.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Company as at and for the financial year ended 31 December 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, and Irish Statute comprising the Companies Act, 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank's (Supervision and Enforcement) Act 2013 (section 48(1)) UCITS Regulations 2015, as amended (together the "UCITS Regulations").

(b) Basis of preparation

The financial statements have been prepared under the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern. Therefore, the financial statements are prepared on the going concern basis.

(c) Functional and presentation currency

The financial statements are presented in US Dollars ("US$") which is the Company's functional and presentation currency. Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (the "functional currency") and its capital raising currency. The primary objective of the Company is to generate returns in US$. The liquidity of the Company is managed on a day to day basis in US$ in order to handle the issue, acquisition and resale of the Company's Redeemable Participating Shares.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of Preparation (continued)

(e) New standards and interpretations

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not early adopted

IFRS 9 Financial Instruments effective for annual periods beginning on or after 1 January 2018, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. Most of the requirements of IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39 Financial Instruments: Recognition and Measurement.

The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the Company's financial position or performance, as it is expected that the Company will continue to classify its financial assets and financial liabilities as being at fair value through profit or loss.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and will become effective for periods beginning on or after 1 January 2018. The new standard is not expected to have any impact on the Company's financial position, performance or disclosures in its financial statements.

3. Significant accounting policies

(a) Foreign Currency translation

Transactions in currencies other than US$, if applicable, are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognised in the Statement of Comprehensive Income in the period in which they arise.

Foreign exchange gains and losses on financial assets and liabilities at fair value through profit or loss are recognised together with other changes in the fair value. Net foreign exchange gains/(losses) on non-monetary and monetary financial assets and liabilities other than those classified as at fair value through profit or loss are included in the line item net foreign currency gain/(loss) in the Statement of Comprehensive Income.

(b) Dividend income

Dividend income is recognised when a Company's right to receive the payment has been established, normally being the ex-dividend date. Dividend income is recognised gross of withholding tax, if any.

(c) Interest income/(expense)

Interest income and interest expense are recognised on an accrual basis using the effective interest rate calculated at acquisition on origination date. Interest is accrued on a daily basis.

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities at fair value through profit or loss

(i) Classification

The Company classifies the investments in equity securities as financial assets at fair value through profit or loss. This category has two sub-categories: financial assets held for trading; and those designated at inception at fair value through profit or loss. All the instruments in the Schedule of Investments are designated at inception at fair value through profit or loss.

Financial assets at amortised cost:
- Loans and receivables: Cash and cash equivalents, Receivable for fund shares sold, Dividends receivable and Other assets.

Financial liabilities at amortised cost:
- Accrued expenses, Payable for investments purchased and financial liabilities arising on redeemable participating shares.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date, the date on which the Company commits to purchase or sell the investment. Other financial assets and financial liabilities are recognised on the date on which they are originated. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at amortised cost. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the Statement of Comprehensive Income within net change in unrealised gains/(losses) on financial assets at fair value through profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership and a realised gain or loss is recognised. Realised gains and losses are presented in the Statement of Comprehensive Income as net realised gains/(losses) on financial assets at fair value through profit or loss.

(iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Company adopted IFRS 13 Fair Value Measurement and uses last traded market prices as its valuation inputs for listed securities. If market quotations are not available or are unrepresentative, estimation methods and valuation models may be used to calculate fair value.

The Sub-Fund uses last traded market prices as its valuation inputs for listed securities, which is consistent with the inputs used for the purpose of determining dealing prices. In circumstances where the last traded price is not within the bid-ask spread, the Investment Manager will determine the point within the bid-ask spread that is most representative of fair value. When market quotations are not available or are unrepresentative, estimation methods and valuation models may be used to calculate fair value. There were no instances in which the Investment Manager did not use the last traded market price as its valuation input during the financial year, or at the financial year end.

(iv) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities at fair value through profit or loss (continued)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Sub-Fund has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

(vi) Net gains or losses from financial instruments at fair value through profit or loss

Realised gains or losses on disposal of investments held for trading or classified at fair value through profit or loss and unrealized gains or losses on valuation of investments held for trading or classified at fair value through profit or loss at the period end are calculated on an average cost basis and included in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks and other short-term, highly liquid investments in an active market with original maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash, subject to insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments other than cash collateral provided in respect of derivative and security borrowing transactions.

(f) Redeemable Participating Shares

Redeemable Participating Shares are redeemable at the Shareholder's option and are classified as financial liabilities in accordance with IAS 32 *Puttable financial instruments and obligations arising in liquidation*. The Redeemable Participating Shares can be put back to the Sub-Fund at any time for cash equal to a proportionate share of the Sub-Fund's Net Asset Value. The Redeemable Participating Share is carried at the redemption amount that is payable at the Statement of Financial Position date if the Shareholder exercised its right to put the share back to the Sub-Fund.

(g) Expenses

Expenses are recognised in the Statement of Comprehensive Income on an accruals basis. The Company is responsible for all normal operating expenses.

(h) Transaction Costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

3. Significant accounting policies (continued)

(h) Transaction Costs (continued)

Transaction costs on the purchases or sales of equities are included in net realised gain/(loss) and net change in unrealised gain/(loss) on financial assets held at fair value through profit or loss in the Statement of Comprehensive Income for the Sub-Fund. Depositary transaction costs are included in depositary fees in the Statement of Comprehensive Income for the Sub-Fund.

These costs are separately identifiable transaction costs and the total costs incurred by each Sub-Fund during the financial year are disclosed in Note 9, these include transaction costs paid to State Street (Custodial) Services Ireland Limited (the "Depositary") and State Street Bank and Trust Company (the "Sub-Custodian").

4. Efficient Portfolio Management ("EPM")

The Investment Manager may, on behalf of the Sub-Fund, engage in transactions in financial derivative instruments for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. EPM transactions relating to the assets of the Sub-Fund may be entered into by the Investment Manager with one of the following aims: (a) a reduction of risk; (b) a reduction of cost; or (c) generation of additional capital or income for a Sub-Fund with a level of risk consistent with the risk profile of a Sub-Fund and the diversification requirements in accordance with the Central Bank's UCITS Regulations "Eligible Assets and Investment Restrictions".

In relation to EPM operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way and must not result in a change to the investment objective of the Sub-Fund or add supplementary risks not covered in the Prospectus. The techniques and instruments are as prescribed in the Central Bank Notices. Such techniques may include foreign exchange transactions which alter the currency characteristics of assets held by a Sub-Fund.

The Sub-Fund may engage with repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Company.

There were no EPM techniques used by the Investment Manager during the financial year, or at the financial year end (31 December 2016: Nil).

5. Financial Instruments and Associated Risks

In accordance with IFRS 7 *Financial Instruments: Disclosures*, this note details the way in which the Company manages risks associated with the use of financial instruments.

General risk management process

As an investment company, the management of the financial instruments is fundamental to the management of the Company's business. The Investment Manager is responsible, subject to the overall supervision and control of the Board of Directors (the "Board"), for managing the assets and investments of the Sub-Fund of the Company in accordance with the investment objectives, guidelines approved by the Board and policies set forth in the Prospectus and the UCITS Regulations.

5. Financial Instruments and Associated Risks (continued)

General risk management process (continued)

A Sub-Fund may use financial derivative instruments. These instruments may be 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 that is high in proportion to the amount that the Sub-Fund actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over-the-counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

At 31 December 2017 and during the financial year then ended, the Sub-Fund did not hold any financial derivative instruments (31 December 2016: Nil).

As defined in IFRS 7, risk can be separated into the following components: market risk, credit risk and liquidity risk. Each type of risk is discussed in turn below to give the reader an understanding of the risk management methods used by the Investment Manager.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is divided into four distinct sections; market price risk, global exposure, foreign currency risk and interest rate risk.

(i) Market price risk

Market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Investment Manager considers the asset allocation of the portfolio in order to manage the risk associated with particular countries or industry sectors whilst continuing to follow the applicable Sub-Fund's investment objective.

All of the securities held by the Sub-Fund at financial year end are listed on an official stock exchange or traded on a regulated market.

If all the prices of the actual securities held by the Sub-Fund as at 31 December 2017 were to increase or decrease by 5% the total value of the Sub-Fund would increase or decrease by US$3.82 million (December 2016: US$3.67 million) for the SouthernSun US Value Fund.

(ii) Global Exposure

Where the relevant Sub-Fund has been classified as investing in non–sophisticated financial instruments or strategies, the Investment Manager will apply the commitment approach for the purpose of calculating both global exposure and leverage in accordance with the UCITS Regulations.

In accordance with the commitment approach, the global exposure will be broadly defined as the total market value of the equivalent underlying security to all of the Financial Derivative Instruments ("FDI") entered into by the Sub-Fund (subject to all specific valuation rules described in European Securities and Markets Authority guidelines).

The Commitment approach is used to calculate global exposure. This approach converts any Sub-Fund derivative financial positions into an equivalent position of the underlying asset based on the market value of the underlying asset. There were no FDIs held by the Sub-Fund at or during the financial years ended 31 December 2017 and 31 December 2016.

5. Financial Instruments and Associated Risks (continued)

a) Market Risk (continued)

(iii) Foreign currency risk

Foreign currency risk is the risk that fluctuations in exchange rates may negatively affect the value of a Sub-Fund's investments.

All of the net assets of the Sub-Fund at financial year end are denominated in US$ (the Sub-Fund's functional currency). The Sub-Fund is therefore not exposed to significant foreign currency risk. The Investment Manager considers the asset allocation of the portfolio in order to manage the risk associated with particular currency exposures whilst continuing to follow the Sub-Fund's investment objective.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. However, there may be some small indirect impact to the value of equity securities due to material unanticipated changes to interest rates.

The majority of the Sub-Fund's financial assets are non-interest bearing. As a result, the Sub-Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it entered into with the Company on behalf of a Sub-Fund.

The Investment Manager manages credit risk by ensuring that the counterparties with which the Company contracts are of high credit quality. The Company may enter into derivative agreements with such approved counterparties subject to the investment restrictions set out in the Prospectus. The Company did not enter into any derivative contracts during the financial year, or at the financial year end.

In accordance with the requirements of the Companies Act, 2014 and the UCITS Regulations the Company's securities are maintained within the custodial network in segregated and omnibus accounts.

The Depositary will ensure that any agents it appoints to assist in safekeeping the cash and securities of the Company will segregate the securities of the Sub-Fund. Thus in the event of insolvency or bankruptcy of the Depositary, the Company's securities are segregated and this further reduces counterparty risk.

Cash and cash equivalents are held with the Depositary. The long-term credit rating of the parent company of the Depositary, Sumitomo Mitsui Trust Bank Ltd., as at 31 December 2017 is A (December 2016, State Street Corporation: A) according to Standard & Poor's ("S&P").

The Sub-Fund also holds cash with Brown Brothers Harriman & Co., which has a rating of A+ according to Fitch.

Concentration Risk

The Investment Manager reviews the credit concentration of equity securities held based on geographical location. Details on the geographical locations can be found in the Schedule of Investments.

5. Financial Instruments and Associated Risks (continued)

c) Liquidity Risk

This is the risk that a Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The risk associated with the need to satisfy Shareholders' requests for redemptions are mitigated by the fact that the Sub-Fund generally holds substantially all liquid assets, which can satisfy usual levels of demand. See Capital Management note below.

As at 31 December 2017 and 31 December 2016, all of the Sub-Fund's liabilities, including net assets attributable to holders of redeemable participating shares, are payable within 1 month.

Capital Management

The capital of the Sub-Fund is represented by the net assets attributable to holders of Redeemable Participating Shares. The amount of net assets attributable to holders of Redeemable Participating Shares can change significantly on a daily basis, as the Sub-Fund is subject to daily subscriptions and redemptions at the discretion of the Shareholders of the Sub-Fund. The Sub-Fund's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for Shareholders, and to maintain a strong capital base to support the development of investment activities.

In order to maintain or adjust the capital structure, the Sub-Fund's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the liquid assets of the Sub-Fund; and
- Redeem and issue new Shares in accordance with the constitutional documents of the Sub-Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions

The Investment Manager monitors capital on the basis of the value of net assets attributable to holders of Redeemable Participating Shares for the Sub-Fund.

6. Fair Value Hierarchy

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Company adopted IFRS 13 *Fair Value Measurement* and uses last traded market prices as its valuation inputs for listed securities. If market quotations are not available or are unrepresentative, estimation methods and valuation models may be used to calculate fair value.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Certain inputs for the asset or liability that are not based observable market data (that is, unobservable inputs).

6. Fair Value Hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables summarise the Sub-Fund's financial assets by class within the fair value hierarchy at 31 December 2017 and 31 December 2016:

31 December 2017

SouthernSun US Value Fund

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets at fair value through profit or loss:				
Equities	76,372,057	-	-	76,372,057
	76,372,057	-	-	76,372,057

31 December 2016

SouthernSun US Value Fund

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets at fair value through profit or loss:				
Equities	73,445,602	-	-	73,445,602
	73,445,602	-	-	73,445,602

The fair value of financial assets approximates their carrying value. Investments whose values are based on quoted market prices in active markets are classified within Level 1. There were no Level 2 or Level 3 securities held by the Sub-Fund during the financial year ended 31 December 2017 or at the financial year end (31 December 2016: Nil). Transfers between levels are deemed to have occurred when the pricing source for a particular security has changed which triggers a change in level as defined under IFRS 13. There were no transfers between Levels 1, 2 or 3 during the financial year ended to 31 December 2017 (31 December 2016: Nil).

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the Sub-Fund to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Assets and liabilities not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents include cash in hand, demand deposits and other short-term investments in an active market and they are categorised as Level 2.

Debtors include the contractual amounts for settlement of trades and other obligations due to the Sub-Fund. Creditors represent the contractual amounts and obligations due by the Sub-Fund for settlement of trades and expenses. All Debtors and Creditors balances are categorised as Level 2.

6. Fair Value Hierarchy (continued)

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of the Sub-Fund in accordance with the Company's Prospectus. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Sub-Fund at any dealing date for cash equal to a proportionate share of the Sub-Fund's net asset value attributable to the share class. The fair value is based on the amount payable on demand. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of Redeemable Participating Shares held in the Sub-Fund.

7. Share Capital

The authorised share capital of the Company is 300,000 redeemable non-participating Shares of no par value and 500,000,000,000 participating Shares of no par value.

Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid thereon but do not otherwise entitle them to participate in the assets of the Company. There are two non-participating Shares currently in issue. One redeemable non-participating Share has been issued to SouthernSun Asset Management, LLC and one redeemable non-participating Share has been issued to Oakthorpe Partners, LLC which holds this share on trust for SouthernSun Asset Management, LLC. These shares have not been included in these financial statements other than by way of this note.

In accordance with the requirements of the Central Bank, the Company will, at all times, maintain an issued share capital of at least €300,000.

No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

Redeemable Participating Shareholders are entitled to a pro-rata share of the applicable Sub-Fund's profits. There are three share classes currently in issue in SouthernSun US Value Fund.

The initial minimum subscription amount for shares in any Sub-Fund at any time must not be less than the amounts set out below (or less at the discretion of the Directors).

SouthernSun US Value Fund

Class	Minimum Initial Investment Amount
Institutional (I)	US$1,000,000
Investor (A)	US$1,000
Y	US$100,000,000

The following tables show the movement in the number of Redeemable Participating Shares during the financial year ended 31 December 2017 and the financial year ended 31 December 2016:

31 December 2017

SouthernSun US Value Fund	Institutional (I) Class	Investor (A) Class	Y Class
Opening balance	99	13,051	745,055
Number of shares issued	-	-	14,167
Number of shares redeemed	-	(12,013)	(31,878)
Closing balance	99	1,038	727,344
Subscription (US$)	-	-	1,482,105
Redemption (US$)	-	(1,227,235)	(3,436,197)

7. Share Capital (continued)

31 December 2016

SouthernSun US Value Fund	Institutional (I) Class	Investor (A) Class	Y Class
Opening balance	8,390	15,471	742,533
Number of shares issued	99	10	19,728
Number of shares redeemed	(8,390)	(2,430)	(17,206)
Closing balance	99	13,051	745,055
Subscription (US$)	10,000	1,000	1,704,961
Redemption (US$)	(761,378)	(245,689)	(1,599,159)

As 31 December 2017, the following Sub-Fund had Shareholders who held more than 10% of the Sub-Fund's Net Asset Value:

	No. of Sub-Fund Shareholders	% Shareholding
SouthernSun US Value Fund	1*~	96.45

As 31 December 2016, the following Sub-Fund had Shareholders who held more than 10% of the Sub-Fund's Net Asset Value:

	No. of Sub-Fund Shareholders	% Shareholding
SouthernSun US Value Fund	1*~	93.03

*~Nominee account

8. Taxation

The Company is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. Therefore, the Company will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of shares or the ending period for which the investment was held.

Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or the ending of a "Relevant Period". A "Relevant Period" is an eight year period beginning with the acquisition of the shares by the Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

(i) a Shareholder who is not Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Company; or

(ii) certain exempted Irish resident investors who have provided the Company with the necessary signed statutory declarations; or

(iii) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or

(iv) an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder of Shares in the Company for other Shares in the Company.

(v) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another company; or

8. Taxation (continued)

(vi) certain exchanges of shares between spouses and former spouses on the occasion of judicial separation and/or divorce.

There were no chargeable events during the financial year under review.

Capital gains, dividends and interest (if any) received on investment made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

In the absence of an appropriate declaration, the Company will be liable for Irish tax on the occurrence of a chargeable event, and the Company reserves its right to withhold such taxes from the relevant shareholders.

9. Fees and expenses

Investment Management Fees

The Company appointed SouthernSun Asset Management LLC as Investment Manager, to manage the assets of the Company.

The Investment Management Fees (calculated as a percentage of the Net Asset Value of each of the Sub-Fund's share classes) were as follows:

Class	***SouthernSun US Value Fund***
Institutional (I)	1.00%
Investor (A)	1.25%
Y	1.00%

Such fee shall be calculated and accrued at each valuation point and payable monthly in arrears.

The Investment Manager may from time to time, at its sole discretion and out of its own resources, decide to rebate intermediaries and/or Shareholders part or all of its Investment Management Fee and/or performance fee. Any such rebates may be applied by issuing additional Shares to Shareholders or in cash.

The Investment Manager shall also be entitled to be repaid out of the assets of the Sub-Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund.

The Investment Management Fees which were charged to the Company and which remained payable at financial year end are disclosed in Note 10.

Administration and Depositary Fees

The Administrator shall be paid an annual fee out of the assets of the Company on behalf of each Sub-Fund, calculated and accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.15% per annum of the Net Asset Value of each Sub-Fund plus VAT, if any, thereon, subject to a minimum monthly fee of US$7,000.

The Depositary shall be paid an annual fee out of the assets of the Company on behalf of the Sub-Fund, calculated and accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.03% per annum of the Net Asset Value of each Sub-Fund plus VAT, if any, thereon, subject to a minimum monthly fee of US$3,000.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company. The Sub-Fund will bear its proportion of the expenses of the Administrator.

9. Fees and expenses (continued)

Administration and Depositary Fees (continued)

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Sub-Fund, including the expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

During the financial year ended 31 December 2017, administration fees of US$126,885 (31 December 2016: US$146,983) were charged to Company and are disclosed in the Statement of Comprehensive Income, of which US$36,184 (31 December 2016: US$16,946) remained payable at financial year end and are included within "Accrued expenses" in the Statement of Financial Position.

During the financial year ended 31 December 2017, depositary fees of US$20,005 (31 December 2016: US$23,020) were charged to Company and are disclosed in the Statement of Comprehensive Income, of which US$5,388 (31 December 2016: US$2,504) remained payable at financial year end and are included within "Accrued expenses" in the Statement of Financial Position.

Directors' Remuneration

Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors.

At the date of these financial statements, the maximum fee per Director shall be €25,000 plus VAT, if any, per annum (adjusted on an ongoing basis for inflation by reference to the Irish Consumer Price Index). Directors who are employees of the Investment Manager have waived their entitlement to receive a fee. William P. Halliday has waived his entitlement to receive a fee during the financial year.

Any additional fees necessitated by the addition of new Sub-Funds shall be apportioned equally among the new Sub-Funds and, to the extent they do not impact on Shareholders in an existing Sub-Fund (on the basis that such additional fees are attributed to new Sub-Funds only), will not be subject to existing Shareholder approval. To the extent that any such additional fees do impact existing Shareholders, such existing Shareholders will be notified in advance of any such additional fees. In addition, any such additional fees shall be disclosed in the Supplement.

All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Directors' remuneration shall be payable semi-annually in arrears.

The Directors' remuneration which was charged to the Company and which remained payable at financial year end is disclosed in Note 10.

Transaction Costs

As disclosed in Note 3(j), transaction fees are incremental costs that are directly attributable to the acquisition, issue or disposal of the financial asset or financial liability.

Purchases and sales transaction fees detailed below are the transaction fees on the purchases and sales of equities. Due to operational challenges in extracting the transaction costs on the purchase, transaction costs on these instruments cannot be separately identified. They are included in the purchase and sale price of the investment, and therefore not disclosed separately in this note.

For the financial year ended 31 December 2017, the Sub-Fund incurred transaction fees as follows:

	SouthernSun US Value Fund US$
Depositary transaction fees	12,800
Purchases and sales transaction fees	34,525
Total	47,325

9. Fees and expenses (continued)

Transaction Costs (continued)

For the financial year ended 31 December 2016, the Sub-Fund incurred transaction fees as follows:

	SouthernSun US Value Fund US$
Depositary transaction fees	4,270
Purchases and sales transaction fees	20,418
Transfer Agent transaction fees	3,537
Total	28,225

Auditors' remuneration

The remuneration for all work carried out by the statutory audit firm in respect of the financial years is as follows:

For the financial year ended 31 December 2017	SouthernSun US Value Fund US$
Audit of these financial statements	19,786
Other assurance services	-
Tax advisory services	-
Other non-audit services	-
Total audit and related services fee	19,786

For the financial year ended 31 December 2016	SouthernSun US Value Fund US$
Audit of these financial statements	15,992
Other assurance services	-
Tax advisory services	-
Other non-audit services	-
Total audit and related services fee	15,992

The fees disclosed in the tables above are exclusive of VAT.

Expense Cap Reimbursement

An expense cap reimbursement is in place to ensure that the total expense ratio ("TER") for each Sub-Fund is not greater than the maximum TER per the supplemental Sub-Fund documents. Any fees and expenses of the Sub-Fund (other than Extraordinary Expenses) in excess of such TER may be borne by the Investment Manager out of its own assets. Details of these are disclosed in Note 10 and Appendix 2 - Supplemental Unaudited Information.

Accrued expenses

The following fees remained unpaid as at year end:

	31 December 2017 US$	31 December 2016 US$
Administration fees	36,184	16,946
Depositary fees	5,388	2,504
Investment Management fees	69,712	68,111
Depositary fees	-	15,262
Other accruals	62,868	83,050
Total	174,152	185,873

10. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party in making financial or operational decisions.

The Company appointed SouthernSun Asset Management LLC as Investment Manager under the terms of the Investment Management Agreement. During the financial year ended 31 December 2017, Investment Management fees of US$801,292 (31 December 2016: US$740,325) were charged to the Company and are disclosed in the Statement of Comprehensive Income, of which US$69,712 (31 December 2016: US$68,111) remains unpaid at financial year end and are included within Accrued expenses in the Statement of Financial Position.

There was an expense cap reimbursement of US$318,301 (31 December 2016: US$436,900) to the Company during the financial year, which is included in the Statement of Comprehensive Income.

The Directors were appointed on 12 July 2013. Director William P. Halliday is an employee of SouthernSun Asset Management LLC.

None of the Directors had any shareholding in the Company or the Sub-Fund as at 31 December 2017, or during the reporting financial year (31 December 2016: Nil).

During the financial year ended 31 December 2017, Directors' fees of US$56,528 (31 December 2016: US$54,131) were charged to the Company and are disclosed in the Statement of Comprehensive Income, of which US$541 (31 December 2016: US$15,262) remains unpaid at financial year end and are included within Accrued expenses in the Statement of Financial Position.

SouthernSun Asset Management LLC entered into a fund distribution agreement with Paul McGowan, who is currently a Director of the Fund, on 22 November 2016 agreeing that Paul McGowan will be paid a fee for the sale of shares of the Fund to potential investors in Ireland. There were no fees paid to Paul McGowan during the year.

All related party transactions were made at arm's length on normal commercial terms and conditions.

There have been no other transactions between the Company and its related parties during the reporting financial year.

At year end there is one investor that holds 96% (2016: 96%) of the shares in issue which is considered a significant shareholder.

11. Cross-investments

There were no cross-investments in the financial year under review (31 December 2016: Nil).

12. Contingent liability

There were no contingent liabilities at 31 December 2017 (31 December 2016: Nil).

13. Committed deals

There are no commitments as at 31 December 2017 (31 December 2016: Nil).

14. Significant events during the financial year

Maples FS has been appointed as administrator and transfer agent to the Company effective 1 January 2017. SMT Trustees (Ireland) Limited has been appointed as Depositary to the Sub-Fund effective 1 January 2017.

There was an updated prospectus issued on 3 January 2017, together with an updated Supplement for the SouthernSun US Value Fund. These updated documents were filed with the local regulatory authorities in each of Germany, Luxembourg and the UK on 5 January 2017.

There were no other significant events affecting the Company during the financial year.

15. Significant events after the financial year end

There were no significant events affecting the Company after the financial year end.

16. Approval of the Financial Statements

The financial statements were approved by the Board on 11th April 2018.

SouthernSun Value Fund p.l.c.

SouthernSun US Value Fund

Schedule of Investments as at 31 December 2017

	Currency	Number of shares	Fair value US$	% of net assets
Transferable Securities				
Equities (31 December 2016: 94.32%)				
Netherlands (31 December 2016: 4.83%)				
United States (31 December 2016: 89.49%)				
Agco Corp	USD	46,810	3,343,638	4.07
Brink's Co/The	USD	21,029	1,654,982	2.01
Broadridge Financial Solutio	USD	38,644	3,500,374	4.26
Centene Corp	USD	44,481	4,487,243	5.47
Clean Harbors Inc	USD	80,014	4,336,758	5.27
Commscope Holding Co Inc	USD	39,320	1,487,476	1.81
Darling Ingredients Inc	USD	288,845	5,236,760	6.37
Diebold Inc	USD	118,977	1,945,274	2.37
Dycom Industries Inc	USD	16,404	1,827,898	2.22
Extended Stay America Inc	USD	152,951	2,906,069	3.53
Flowserve Corp	USD	78,033	3,287,530	4.00
Hanesbrands Inc	USD	168,050	3,513,926	4.27
Idex Corp	USD	26,317	3,473,054	4.22
Knowles Corp	USD	198,069	2,903,692	3.53
Murphy Usa Inc	USD	51,745	4,158,228	5.06
Newfield Exploration Co	USD	133,114	4,197,084	5.10
Oge Energy Corp	USD	50,167	1,650,996	2.01
Polaris Industries Inc	USD	30,912	3,832,779	4.66
Thor Industries Inc	USD	23,135	3,486,907	4.24
Timken Co	USD	89,672	4,407,379	5.36
Trinity Industries Inc	USD	111,826	4,189,002	5.09
Western Union Co	USD	210,305	3,997,898	4.86
Westrock Co	USD	40,296	2,547,110	3.10
			76,372,057	92.88
Total Equities			**76,372,057**	**92.88**
Total Transferable Securities			**76,372,057**	**92.88**
Total financial assets at fair value through profit or loss				
Cash and cash equivalents (31 December 2016: 5.47%)			5,723,508	6.96
Other net assets (31 December 2016: (0.21)%)			131,194	0.16
Net assets attributable to holders of Redeemable Participating Shares			**82,226,759**	**100.00**

Analysis of Total Assets	**31/12/2017 % of Total Assets**	**31/12/2016 % of Total Assets**
Transferable securities admitted to an official stock exchange listing	92.68	94.09
Cash and cash equivalents	6.95	5.46
Other current assets	0.37	0.45
Total assets	100.00	100.00

SouthernSun Value Fund p.l.c.

Appendix 1 – Significant Portfolio Changes During the Financial Year (unaudited)

SouthernSun US Value Fund

Purchases*	**Number of Shares**	**Cost US$**
Extended Stay America Inc	152,951	2,914,346
Diebold Inc	118,977	2,679,808
Brink's Co/The	21,029	1,649,894
Dycom Industries Inc	16,404	1,394,598
Commscope Holding Co Inc	39,320	1,259,982
Newfield Exploration Co	39,100	1,202,368
Murphy Usa Inc	17,348	1,106,500
Envision Healthcare Corp	17,873	987,717
Darling Ingredients Inc	54,121	778,044
Knowles Corp	31,748	495,685
Flowserve Corp	10,086	412,242
Western Union Co	20,555	393,630
Polaris Industries Inc	3,333	276,540
Clean Harbors Inc	5,036	264,141
Hanesbrands Inc	11,727	241,698
Trinity Industries Inc	6,267	168,467
Timken Co	3,026	137,848

Sales**	**Number of Shares**	**Proceeds US$**
Oge Energy Corp	65,048	2,303,662
Chicago Bridge & Iron Co Nv	118,510	2,286,026
Polaris Industries Inc	18,745	1,935,256
Envision Healthcare Corp	76,366	1,932,365
Centene Corp	23,899	1,906,892
Thor Industries Inc	16,227	1,866,642
Darling Ingredients Inc	88,592	1,404,071
Idex Corp	11,533	1,303,361
Trinity Industries Inc	31,707	978,548
Broadridge Financial Solutio	10,581	886,137
Knowles Corp	40,384	720,302
Agco Corp	11,356	718,313
Murphy Usa Inc	8,297	610,446
Hanesbrands Inc	22,707	532,174
Clean Harbors Inc	8,470	497,010
Westrock Co	8,267	475,498
Flowserve Corp	7,103	348,582
Timken Co	7,170	314,357
Western Union Co	8,125	170,450

* There were no purchases in the period other than those listed.
** There were no sales in the period other than those listed.

Appendix 2 - Supplemental Unaudited Information

Total Expense Ratio ("TER")

The TER refers to the total amount of fees and expenses of the Sub-Fund (other than Extraordinary Expenses). The TER is equal to the ratio of the Company's total operating costs to the average net asset value. The average net asset value is calculated using the net asset value as at each Valuation Point from the start of the relevant fiscal year up to the date of calculation of the relevant TER. In Supplement for the Sub-Fund, the TER has been expressed as a "maximum TER", in which case any fees and expenses of the Sub-Fund (other than Extraordinary Expenses) in excess of such TER may be borne by the Investment Manager out of its own assets.

The following are the maximum TERs of the relevant Share Class of the Sub-Fund:

SouthernSun US Value Fund Institutional (I) Class – up to 1.60% per annum
SouthernSun US Value Fund Investor (A) Class – up to 1.80% per annum
SouthernSun US Value Fund Y Class – up to 1.15% per annum

During the financial year ended 31 December 2017 the total expense cap reimbursement amounted to US$318,301 (December 2016: US$436,900) and is disclosed in the Statement of Comprehensive Income, of which US$63,992 was repayable to the Company at the financial year end (December 2016: US$308,191).

Exchange Rates

All investments and the majority of other assets and liabilities are denominated in base currency of the Sub-Fund (US$). Certain immaterial expenses are incurred in Euro during the year.

The rates of exchange ruling at 31 December 2017 and 31 December 2016 were:

USD=1	31 December 2017	2017 Average Rate	31 December 2016	2016 Average Rate
EUR	0.8330	0.8868	0.9500	0.9067

Soft commission arrangements/Direct brokerage

The Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software.

No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the Company.

There were no soft commission arrangements in place/direct brokerage services utilised during the financial year ended 31 December 2017.

SouthernSun Value Fund p.l.c.

Appendix 2 - Supplemental Unaudited Information (continued)

Securities lending

No securities lending took place during the financial year ended 31 December 2017.

Prospectus updates

The prospectus for the Company and the supplement for the the SouthernSun US Value Fund was issued on 10 September 2013.

An updated prospectus for the Company and updated supplement for the SouthernSun US Value Fund was issued on 16 January 2014, 16 October 2015, 6 May 2015, 6 April 2016 and 3 January 2017.

Net Asset Value

As at 31 December 2017	SouthernSun US Value Fund Institutional (I) Class	SouthernSun US Value Fund Investor (A) Class	SouthernSun US Value Fund Y Class
Net Asset Value	11,603	110,843	82,104,313
Number of shares in issue	99.44	1,037.49	727,343.90
Net Asset Value per share	116.68	106.84	112.88

As at 31 December 2016	SouthernSun US Value Fund Institutional (I) Class	SouthernSun US Value Fund Investor (A) Class	SouthernSun US Value Fund Y Class
Net Asset Value	10,613	1,279,455	76,605,170
Number of shares in issue	99.44	13,050.79	745,054.67
Net Asset Value per share	106.73	98.04	102.82

As at 31 December 2015	SouthernSun US Value Fund Institutional (I) Class	SouthernSun US Value Fund Investor (A) Class	SouthernSun US Value Fund Y Class
Net Asset Value	732,443	1,308,688	65,467,459
Number of shares in issue	8,390.00	15,470.91	742,532.95
Net Asset Value per share	87.30	84.59	88.17

Appendix 3 - UCITS V Disclosure of Remuneration

Regulation 89(3A) of the UCITS Regulations (as introduced pursuant to the UCITS V Regulations on 21 March 2016) requires that the annual report of the Company contains certain disclosures on remuneration paid by the Company to its staff during the financial year and details of any material changes to the Company's remuneration policy made during the period. In this regard, the following points are to be noted:

- The Company has prepared a remuneration policy outlining how it adheres to the remuneration requirements set out in the UCITS Regulations. This policy was adopted with effect from 18 March 2016 and no material changes were subsequently made to it during the financial year. The remuneration policy and procedures are consistent with and promote sound and effective risk management and discourage risk taking that is inconsistent with the risk profiles, rules or instruments of the Company.

- The first annual performance period in which the Company has to comply with the remuneration requirements set out in the UCITS Regulations is the year ending 31 December 2017, i.e. the Company's current financial year.

- The Company has no employees or staff that it employs and pays directly. The Company has a Board of Directors, one of whom is a principal of SouthernSun Asset Management LLC and receives no remuneration from the Company. The remaining two directors receive a fixed fee only (for the years ended 31 December 2017 and 2016; €50,000 / $55,757 in aggregate) and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the Company's size, internal organisation and the nature, scope and complexity of its activities.

Additionally, to the extent that such fund's assets as of each fiscal year end represent less than a meaningful portion of SouthernSun Asset Management LLC's total assets under management, the remuneration policies will disapply to SouthernSun Asset Management LLC as of such fiscal year end. Given that the assets held in the Company as of 31 December 2017 represented approximately 1.86% (2016: 1.95%) of the investment manager's total assets under management, its remuneration policies specific to the Company will be disapplied for fiscal year 2017.