Pacific Asset Management Fund plc

An investment company with variable capital incorporated in Ireland with registered number 543162 established as an umbrella fund with segregated liability between Sub-Funds

Pacific Asset Management Senior Loan Fund

An open-ended fund

SUPPLEMENT TO PROSPECTUS

25 January 2017

Pacific Asset Management Senior Loan Fund (the "**Sub-Fund**") is a Sub-Fund (as defined in the Prospectus) of Pacific Asset Management Fund plc (the "**Company**"), an investment company with variable capital established as an umbrella fund with segregated liability between Sub-Funds, in which different Sub-Funds may be created from time to time, with the prior approval of the Central Bank. Four Classes of Shares in the Sub-Fund are offered through this Supplement.

A description of the Company which has been authorised as a Qualifying Investor Alternative Investment Fund ("**QIAIF**") by the Central Bank under AIFMD, its management and administration, taxation and risk factors is contained in the Prospectus.

This Supplement relates to and forms part of the Prospectus. This Supplement must be read in the context of and together with the Prospectus. In particular, investors should read the risk factors set out in the Prospectus.

Investment in the Sub-Fund should not constitute the sole or the main investment of an investor's portfolio.

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

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

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DEFINITIONS

The following definitions apply throughout this Supplement unless the context requires otherwise:

"Base Currency"	means US Dollars;
"Capitalization Share Classes"	means the U.S. Dollar Capitalization Shares, the Euro Hedged Capitalization Shares and the Swedish Kroner (SEK) Hedged Capitalization Shares;
"Distributing Share Class"	means the Euro Hedged Distribution Shares;
"Minimum Holding"	means, in the case of the Sub-Fund, a minimum holding of $2,000,000 (or its equivalent in Euro as applicable) or such greater or lesser amount as may be determined by the Directors in their absolute discretion in any particular case;
"Minimum Initial Subscription"	means, in the case of the Sub-Fund, a minimum initial subscription of $5,000,000 (or its equivalent in Euro as applicable) or such greater or lesser amount as may be determined by the Directors in their absolute discretion in consultation with the AIFM in any particular case provided that such lesser amount is in accordance with the requirements of the Central Bank;
"Minimum Subsequent Subscription"	means, in the case of the Sub-Fund, a minimum subsequent subscription of $500,000 (or its equivalent in Euro as applicable) or such lesser amount as may be agreed by the Directors in consultation with the AIFM;
"Prospectus"	means the prospectus of the Company dated 25 January 2017 and all relevant supplements and revisions thereto;
"Redemption Date"	means each Business Day of each month and such other days as the Directors in consultation with the AIFM may in their absolute discretion determine and notify in advance to Shareholders;
"Shares"	means the U.S. Dollar Capitalization Shares, the Euro Hedged Capitalization Shares, the Swedish Kroner (SEK) Hedged Capitalization Shares and the Euro Hedged Distribution Shares and any further Classes of Shares created in the Sub-Fund in the future;
"Sub-Fund"	means the Pacific Asset Management Senior Loan Fund, a Sub-Fund of the Company;
"Subscription Date"	means each Business Day of each month and such other days as the Directors may in their absolute

	discretion in consultation with the AIFM determine and notify in advance to Shareholders;
"Supplement"	means this supplement;
"Valuation Date"	means each Business Day of each month and such other days as the Directors and the AIFM may in their absolute discretion determine, having consulted with the Administrator and provided that there shall be a Valuation Date on the Business Day immediately preceding a Subscription Date and/or a Redemption Date; and
"Valuation Point"	means 5.00 p.m. (New York time) on each Valuation Date.

THE SUB-FUND

Introduction

This Supplement is issued in connection with the offer of Shares in the Pacific Asset Management Senior Loan Fund which has four Classes of Shares, namely the:

- U.S. Dollar Capitalization Shares;
- Euro Hedged Capitalization Shares;
- Euro Hedged Distribution Shares; and
- Swedish Kroner (SEK) Hedged Capitalization Shares.

The Directors of the Company may create new Classes of Shares in the Sub-Fund from time to time, provided that the creation of any such new Class of Shares is notified in advance to the Central Bank. **A separate pool of assets will not be maintained for each Class of Shares**.

The Sub-Fund is denominated in US Dollars.

Investment Objective

The investment objective of the Sub-Fund is to seek to outperform the Credit Suisse Leveraged Loan Index through investing primarily in bank loans of non-investment grade companies.

Investment Policy

In seeking to achieve its investment objective, the Sub-Fund will, under normal circumstances, invest at least 80% of its assets in bank debt instruments, including secured and unsecured loans, first-lien and second-lien loans, and bank loans. Although the Sub-Fund expects to be primarily focused on U.S. domestic issuers, the Sub-Fund may also invest its assets in U.S. dollar-denominated bank loans issued by foreign corporations. The Sub-Fund expects that its portfolio's average credit quality will range between BB+ and B- rated. However, the Sub-Fund may invest in all credit quality ratings, including instruments rated below investment-grade (which are commonly referred to as "junk bonds"), non-rated, and defaulted instruments. The Sub-Fund expects the portfolio duration to range between 0 to 1 year, but it may invest in instruments that exceed a one-year duration. The Sub-Fund may invest up to 20% of its assets in other types of debt instruments and securities, including, but not limited to, fixed-rate or floating rate bonds of investment-grade corporations, fixed-rate or floating-rate bonds of non-investment-grade corporations, securities issued or backed by the U.S. government or U.S. government-sponsored agencies, money market instruments, which includes commercial paper and repurchase agreements, equity or warrants, closed-end funds, and PIK loans or debt instruments. In managing the liquidity needs of the portfolio or in order to gain access to the leveraged loan market in general, or to certain bank loan instruments, the Sub-Fund may, from time to time, invest in other collective investment schemes, including exchange-traded funds, provided that such investments do not exceed 10% of its assets. As set out in further detail under the section entitled "Leverage and Borrowing Policy" below, the Sub-Fund does not intend to utilize leverage as part of its investment strategy (i.e., the Sub-Fund does not intend to utilize leverage directly at the level of its investments).

Investment Philosophy

Pacific Asset Management will seek to outperform the Credit Suisse Leveraged Loan Index through a selective approach focused on the larger, rated issuers within the bank loan universe. Pacific Asset Management believes a focus on the larger, rated issuers provides a margin of safety and downside risk protection relative to the smaller issuers within the bank loan universe. Pacific Asset Management seeks to construct a selective portfolio, generally consisting of 80-150 bank loan issuers.

Investment Process

Pacific Asset Management's investment process typically starts with a screen designed to remove the smaller issuers from the universe. The process seeks to remove issuers who generally have less than $100m in EBITDA and an issue size of less than $300m.

Following the initial screening process, the Investment Manager evaluates securities through a process based on fundamental credit analysis; of particular importance are enterprise valuations, leverage, EBITDA trends, free cash flow, competitive position, industry dynamics, and the management teams. Pacific Asset Management's approach to underwriting credit utilizes traditional fundamental analysis. Cash flow generation and the company's ability to service its debt is paramount. Pacific Asset Management also scrutinizes the capital structure to determine the best relative value. Since each of the Investment Manager's credit analysts research issuers with loans and/or bonds, they are able to scrutinize the capital structure of a company in greater detail and with greater understanding in order to determine the best relative value. Additionally, Pacific Asset Management assesses factors such as a company's cost structure, competitive position, and management. The Investment Manager seeks to invest with strong management teams by evaluating their experience, ability, and track record.

Following an assessment of the issuer fundamentals, an evaluation of the loan structure takes place, paying particular importance to guarantors, collateral and financial covenants. Capital structure analysis follows with an assessment of enterprise values, asset coverage, leverage, and junior capital. The Investment Manager seeks a high conviction in potential issuers, defined as those that meet all requirements involved in the screening process combined with a high degree of comfort, understanding, and a margin of safety in the business, credit fundamentals, financials, management team, industry dynamics, sponsorship, and downside risk (asset coverage, secured leverage).

The decision to act on investment comes in two parts; the first being the individual issuer analysis and the second being the portfolio construction and relative value. During an investment discussion, all members of the investment team are encouraged to participate. When an investment opportunity is identified, the research analyst presents an evaluation of the credit to the investment team. The evaluation includes factors in the internal review template, issuer information, and the fundamental analysis evaluation discussed above. After it passes that review, the Investment Manager will then move on to a relative value discussion and its implications for overall portfolio construction.

The relative value decision considers how an individual security will contribute to the overall portfolio. The portfolio managers are responsible for the portfolio construction and overall implementation process. Portfolio managers also have trading responsibilities for the Sub-Fund. The objective of the portfolio construction process is to create the most effective mix of investments consistent with the investment objectives and guidelines of the Sub-Fund. In the portfolio construction process, considerations include how an individual issuer would impact overall credit quality, sector weights, industry exposures, trading and liquidity constraints, yield, and other qualitative and quantitative characteristics.

Once an investment is made in a particular issue or issuer, monitoring takes place on a daily basis. Portfolio values are monitored through daily third-party pricing. Credit updates are captured in the Investment Manager's proprietary research system. The system serves as a centralized credit research hub for the research and portfolio management team. The system aggregates information such as portfolio holdings, outlooks, analyst comments, and investment thesis for the portfolio management, operations, and credit teams. Research on individual issuers is typically updated quarterly and instantly shared with the investment teams via electronic communication. Pacific Asset Management strongly believes in a collaborative approach with team members involved and an open discussion process holding analysts accountable for investment recommendations. With regards to our sell discipline, an investment is generally sold when at least one of the items below has been met: the issue has realized its price appreciation target, the issue no longer offers relative value, or an adverse change in corporate or sector fundamentals has occurred.

Investment Risk Management

Pacific Asset Management believes that managing investment risk in bank loans, and the possible permanent loss of capital through defaults, is important to accomplishing the investment objective of the Sub-Fund.

First, managing downside risk starts with the Investment Manager's investment process. Pacific Asset Management focuses on the larger, rated issuers within the bank loan universe, screening out the smaller, unrated companies. Historically, since the inception of the Credit Suisse Leveraged Loan Index in 1992, the historical default rates of larger issuers have been substantially less than those of smaller issuers.

Second, Pacific Asset Management focuses on issuers with deep management teams, divisible assets, junior debt in the capital structure, access to the capital markets, and liquidity in the loan issue. In the view of the Investment Manager, this focus provides a lower default probability, higher recovery rates, and the ability to actively trade the issue in the secondary market.

Third, the Investment Manager believes that mitigating downside risk in bank loans includes an understanding of the asymmetric return profile of a loan. With the callable nature of bank loans, convexity plays a role in loan prices rarely moving above $101-102 dollar prices. With bank loans upside price appreciation limited in many circumstances, the opportunity cost associated with holding an issuer with a change in credit fundamentals or issue characteristics is low relative to the potential price deterioration. Therefore, the Investment Manager may sell a security due to a potential change in the downside risk or margin of safety of an issuer, including; change in covenants (refinancing to covenant-light), sponsorship (dividend recapitalization deals), credit fundamentals of the issuer, industry cyclical or structural changes, or refinancing risk (prices above their call price).

Summary of Investment Program

The Sub-Fund seeks to outperform the relevant benchmark through a selective approach with a focus on the larger, rated issuers within the loan universe. Pacific Asset Management screens the approximate 1,100 companies in the bank loan universe generally filtering out those companies with less than $100m in EBITDA and an issue size of less than $300m. The Investment Manager seeks a portfolio of approximately 80-150 issuers that have strong fundamental characteristics along with a catalyst for outperformance. The more selective approach and focus on the larger, rated companies, in the view of the Investment Manager, provides downside risk protection and a margin of safety relative to less liquid, non-rated companies. Pacific Asset Management believes this focus on seeking to minimize loss while providing the upside of the asset class is a key differentiation in our process.

Change in Investment Objective or Policy

Any change to the investment objective or material changes to the investment policy of the Sub-Fund shall not be effected without the prior approval of the AIFM and the majority of the Shareholders in accordance with the Memorandum and Articles of Association of the Company. A reasonable notification period will be provided to Shareholders by the Company to enable the relevant Shareholders to redeem their Shares prior to the implementation of these changes.

In the event of a non-material change to the investment policy of the Sub-Fund, the Shareholders will be notified of such change.

Leverage and Borrowing Policy

The Sub-Fund will not utilize leverage directly at the level of its investments, either through borrowing for investment purposes or through derivative transactions (which are inherently leveraged). However, the Sub-Fund may:

(i) utilize currency transactions (forward foreign exchange contracts, currency futures, options or swap contracts) to hedge exposure to changes in the exchange rates between the Base Currency of the Sub-Fund and the currency of certain Shares. The use of such currency transactions will result in leverage, provided always that such leverage will be within the limits set out below; and

(ii) borrow up to 5 % of its Net Asset Value for temporary purposes, which will be for the purpose of meeting frictional liquidity requirements and bridging timing differences between transactions or for any other purpose deemed appropriate by the Investment Manager.

The maximum potential leverage of the Sub-Fund shall not exceed (i) 300 per cent of the Net Asset Value of the Sub-Fund, as calculated pursuant to the Commitment Method and (ii) 300 per cent of the Net Asset Value of the Sub-Fund, as calculated pursuant to the Gross Method. Shareholders will be notified of any change to these maximum levels of leverage.

"Leverage" for this purpose, means any method by which a Sub-Fund's exposure is increased whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

Dividend Policy

The Directors do not anticipate paying a dividend in respect of the Capitalization Share Classes. All income and profits earned by the Sub-Fund will accrue to the benefit of the Capitalization Share Classes and will be reflected in the Net Asset Value.

In respect of the Distributing Share Class, once the accounts for the financial year-end of the Company, being 31 March, have been finalised, the Directors will, in consultation with the AIFM, determine whether and to what extent dividends shall be paid by the Sub-Fund in respect of the Distributing Share Class. The Directors also have the power under the Articles of Association to declare interim dividends. For the avoidance of doubt, subject to there being distributable profits available, interim dividends declared and paid by the Sub-Fund may be in respect of previous financial years.

Each dividend shall consist of income (less expenditure) attributable to the Sub-Fund. Income for this purpose shall not include realised gains attributable to the Sub-Fund, rather it will be limited to any income earned on the assets held by the Sub-Fund.

Dividends, when declared, will be paid within 30 days after the relevant financial year-end of the Company by bank transfer to the Shareholders. Any dividend unclaimed after 6 years from the date when it first became payable shall be forfeited automatically and will revert to the Sub-Fund without the necessity for any declaration or other action by the Company.

Certain Additional Risk Factors

An investment in the Sub-Fund will involve certain risks. Investors' attention is drawn to the risk factors set out in the Prospectus. Investors should note that the risk factors contained in the Prospectus and in this Supplement are not, and do not purport to be, a complete description of the risks associated with an investment in the Sub-Fund.

Debt Securities Risk

Debt securities, such as loans or bonds, may involve interest rate risk, credit risk, extension risk, and prepayment risk, among other things.

Interest Rate Risk

The market value of bonds and other fixed-income securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Sub-Fund may be subject to a greater risk of rising interest rates due to the current period of historically low rates. The magnitude of these fluctuations in the market price of bonds and other fixed-income securities is generally greater for those securities with longer maturities. Fluctuations in the market price of the Sub-Fund's investments will not affect interest income derived from instruments already owned by the Sub-Fund, but will be reflected in the Sub-Fund's net asset value. The Sub-Fund may lose money if short-term or long-term interest rates rise sharply in a manner not anticipated by the investment manager. To the extent the Sub-Fund invests in debt securities that may be prepaid at the option of the obligor (such as mortgage-backed securities), the sensitivity of such securities to changes in interest rates may increase (to the detriment of the Sub-Fund) when interest rates rise. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the net asset value of the Sub-Fund to the extent that it invests in floating rate debt securities. These basic principles of bond prices also apply to U.S. Government securities. A security backed by the "full faith and credit" of the U.S. Government is guaranteed only as to its stated interest rate and face value at maturity, not its current market price. Just like other fixed-income securities, government-guaranteed securities will fluctuate in value when interest rates change.

Credit Risk

Credit risk refers to the possibility that the issuer of a debt security (i.e., the borrower) will not be able to make principal and interest payments when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Sub-Fund's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities.

Exchange-Traded Funds

The Sub-Fund may invest in exchange-traded funds ("**ETFs**"), which are shares of publicly traded unit investment trusts, open-end funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Furthermore, ETFs will be managed by a third party not affiliated with the General Partner or its affiliates. In addition, the Sub-Fund may bear, along with other shareholders of an ETF, its pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Sub-Fund's expenses (e.g., Management Fees and operating expenses), Shareholders may also indirectly bear similar expenses of an ETF, which can have a material adverse effect on the return on capital of the Sub-Fund.

Floating Rate Loan Risk

Floating rate loans (or bank loans) are usually rated below investment grade. The market for floating rate loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. A Sub-Fund's investment in loans may take the form of a participation or an assignment. Loan participations typically represent direct participation in a loan to a borrower, and generally are offered by financial institutions or lending syndicates. The Sub-Fund may participate in such syndications, or can buy part of a loan, becoming a part lender. When purchasing loan participations, the Sub-Fund assumes the credit risk associated with the borrower and may assume the credit risk associated with an interposed financial intermediary. If the lead lender in a typical lending syndicate becomes insolvent, enters Federal Deposit Insurance Corporation ("**FDIC**") receivership or, if not FDIC insured, enters into bankruptcy, the Sub-Fund may incur certain costs and delays in receiving payment or may suffer a loss of principal and/or interest. When the Sub-Fund is a purchaser of an assignment, it succeeds to all the rights and obligations under the loan agreement of the assigning bank or other financial intermediary and becomes a lender under the loan agreement with the same rights and obligations as the assigning bank or other financial intermediary. For example, if a loan is foreclosed, the Sub-Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

Floating rate loans are also subject to prepayment risk. Borrowers may pay off their loans sooner than expected. The Sub-Fund investing in such securities could be forced to reinvest this money at lower yields, which can reduce the Sub-Fund's returns. Similarly, debt obligations with call features have the risk that an issuer will exercise the right to pay an obligation earlier than expected.

Floating rate loans generally are subject to restrictions on transfer, and the Sub-Fund may be unable to sell its bank loans at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than their fair market value.

The Sub-Fund may find it difficult to establish a fair value for loans it holds. A loan may not be fully collateralized and can decline significantly in value. In addition, the Sub-Fund's access to collateral may be limited by bankruptcy or other insolvency laws. If the Sub-Fund acquires a participation in a loan, the Sub-Fund may not be able to control the exercise of remedies that the lender would have under the loan and likely would not have any rights against the borrower directly. Loans made to finance highly leveraged corporate acquisitions may be especially vulnerable to adverse changes in economic or market conditions. A loan may also be in the form of a bridge loan, which are designed to provide temporary or "bridge" financing to a borrower, pending the sale of identified assets or the arrangement of longer-term loans or the issuance and sale of debt obligations. A borrower's use of a bridge loan involves a risk that the borrower may be unable to locate permanent financing to replace the bridge loan, which may impair the borrower's perceived creditworthiness.

Foreign Markets Risk

It is envisaged that the Sub-Fund will invest primarily in U.S. issuers. However, as the Sub-Fund may also invest in non-U.S. issuers, the following risk factors should be borne in mind. Investments in securities of foreign issuers and securities of companies with significant foreign exposure can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. Political, social, and economic instability, the imposition of currency or capital controls, or the expropriation or nationalization of assets in a particular country can cause dramatic declines in that country's economy. Less stringent regulatory, accounting, and disclosure requirements for issuers and markets are more common in certain foreign countries. Enforcing legal rights can be difficult, costly, and slow in certain foreign countries, and can be particularly difficult against foreign governments. Additional risks of foreign investments include trading, settlement, custodial, and other operational risks, and withholding and other taxes. These factors can make foreign investments more volatile and less liquid than U.S. investments. In addition, foreign markets can react differently to market, economic, political, regulatory, geopolitical, or other conditions than the U.S. market. Markets and economies throughout the world are becoming increasingly interconnected, and conditions or events in one market, country or region may adversely impact investments or issuers in another market, country or region.

High-Yield Securities Risk

Securities rated "BB" or below by S&P or "Ba" or below by Moody's are known as "high-yield" securities and are commonly referred to as "junk bonds." Such securities entail greater price volatility and credit risk than investment-grade securities. Analysis of the creditworthiness of high-yield issuers is more complex than for higher-rated securities, making it more difficult for the Investment Manager to accurately predict risk. There is a greater risk with high-yield fixed income securities that an issuer will not be able to make principal and interest payments when due. If the Sub-Fund pursues missed payments, there is a risk that the Sub-Fund's expenses could increase. In addition, lower-rated securities may not trade as often and may be less liquid than higher-rated securities, especially during periods of economic uncertainty or change. As a result of all of these factors, these bonds are generally considered to be speculative.

Highly Volatile Markets

The prices of financial instruments in which the Sub-Fund may invest can be highly volatile. Price movements of securities and instruments in which the Sub-Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Inflation Risk

Inflation risk results from the variation of the purchasing power of cash flows. For example, if the Sub-Fund holds a fixed income security that realizes a coupon rate of 5% but inflation is 6% then the purchasing powers of the cash flow from that bond has decreased. Additionally inflation risk will decrease the value of an asset in real terms as well as impacting the income from assets.

Investment Risk

An investment in the Sub-Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Sub-Fund may experience losses with respect to its investment. Further, there is no guarantee that the Sub-Fund will be able to achieve its objective.

Liquidity Risk

In certain circumstances, it may be difficult for the Sub-Fund to purchase and sell particular portfolio investments due to infrequent trading in such investments. The prices of such securities may experience significant volatility, make it more difficult for the Sub-Fund to transact significant amounts of such securities without an unfavourable impact on prevailing market prices, or make it difficult for the Investment Manager to dispose of such securities at a fair price at the time the Investment Manager believes it is desirable to do so.

The Sub-Fund may invest in assets that may be below "investment grade" and which face on-going uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. Such securities may tend to be more sensitive to economic conditions than higher rated assets. It is possible that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such assets and may have an adverse impact on the value of such assets. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for lower-rated assets is thinner and less active than that for higher-rated assets, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated assets, whether or not based on fundamental analysis, may result in a decrease in the value and liquidity of such lower-rated assets.

Loan Participation Risk/Bank Debt Instrument Risk

A loan participation agreement involves the purchase of a share of a loan made by a bank to a company in return for a corresponding share of borrower's principal and interest payments. The principal credit risk associated with acquiring loan participation interests is the credit risk associated with the underlying corporate borrower. There is also a risk that there may not be a readily available market for loan participation interests and, in some cases, this could result in the Sub-Fund disposing of such securities at a substantial discount from face value or holding such securities until maturity.

Market Risk

Investments in securities, in general, are subject to market risks that may cause their prices to fluctuate over time. The Sub-Fund's investments may decline in value due to factors affecting securities or commodities markets generally, such as real or perceived adverse economic conditions or changes in interest or currency rates, or particular countries, segments, economic sectors, industries or companies within those markets. The value of securities convertible into equity securities, such as warrants or convertible debt, is also affected by prevailing interest rates, the credit quality of the issuer and any call provision. Fluctuations in the value of securities and financial instruments in which the Sub-Fund invests will cause the NAV of the Sub-Fund to fluctuate. Historically, the markets have moved in cycles, and the value of the Sub-Fund's securities may fluctuate drastically from day to day. Because of its link to the markets, an investment in the Sub-Fund may be more suitable for long-term investors who can bear the risk of short-term principal fluctuations, which at times may be significant.

Title/Custody Risk

The Depositary is under a duty to take into custody and to hold the property of the sub-fund of the Company on behalf of its shareholders. The Central Bank requires the Depositary to hold legally separately the non-cash assets of each sub-fund and to maintain sufficient records to clearly identify the nature and amount of all assets that it holds, the ownership of each asset and where the documents of title to such assets are physically located. When the Depositary employs a Sub-Custodian the Depositary retains responsibility for the assets of the Sub-Fund.

However, it should be noted that not all jurisdictions have the same rules and regulations as Ireland regarding the custody of assets and the recognition of the interests of a beneficial owner such as a sub-fund. Therefore, in such jurisdictions, there is a risk that if a Sub-Custodian becomes bankrupt or insolvent, the Sub-Fund's beneficial ownership of the assets held by such Sub-Custodian may not be recognised and consequently the creditors of the Sub-Custodian may seek to have recourse to the assets of the Sub-Fund. In those jurisdictions where the Sub-Fund's beneficial ownership of its assets is ultimately recognised, the Sub-Fund may suffer delay and cost in recovering those assets.

Foreign Exchange/Currency Risk

Although the Shares may be denominated in a particular currency, the Sub-Fund invests its assets in securities or interests denominated in US Dollars. The Net Asset Value as expressed in a particular currency, other than US Dollars, will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the Sub-Fund's Base Currency. Certain Shares of the Sub-Fund may therefore be exposed to a foreign exchange/currency risk.

Although the Sub-Fund may hedge against foreign exchange/currency risk exposure, it may not be possible or practicable to hedge against foreign exchange/currency risk exposure at all times or in all market conditions.

The value of the assets of the Sub-Fund and its income, as measured in the Base Currency, may suffer significant declines due to currency depreciation, disruptions in currency markets or delays and difficulties in currency conversions or be otherwise adversely affected by exchange control regulations or by changes in the method of controlling exchange rates or limiting exchange rate movements. The Sub-Fund will only engage in hedging at a Share class level where the benefits, risks and costs of such hedging will be accrued and attributed solely to investors of those Shares and where such arrangements are in accordance with the Central Bank's requirements.

Other Clients

The Investment Manager and its affiliates provide and will continue to provide discretionary and non-discretionary investment management services to other clients, managed accounts and other investment partnerships or funds (collectively, the "**Other Accounts**"), some of which have similar investment objectives to those of the Sub-Fund or which engage in transactions in the same type of securities and instruments as the Sub-Fund. The Investment Manager and its affiliates may give advice and recommend securities to the Other Accounts which may differ from advice given to, or securities recommended or bought for, the Sub-Fund, even though their investment objectives may be the same or similar to those of the Sub-Fund.

Advisory Time

The Investment Manager and its affiliates will devote as much of their time to the activities of the Sub-Fund as they deem necessary and appropriate. The Investment Manager and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Sub-Fund and/or may involve substantial time and resources of the Investment Manager. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Investment Manager and its officers and employees will not be devoted exclusively to the business of the Sub-Fund but will be allocated between the business of the Sub-Fund and the management of the monies of the Other Accounts.

Use of Systems

The Investment Manager relies extensively on the use of computer systems, hardware, software, and telecommunications equipment. The Investment Manager makes use of its own proprietary systems as well as systems which are publicly available or provided by third parties. Accordingly, the Sub-Fund is exposed to the risk that computer hardware, software, electronic equipment and other services used by the Investment Manager may cease to be available, for example due to the insolvency of the provider or the discontinuation of services or software updates. In such circumstances, the Investment Manager would seek to obtain equivalent hardware, software and services from an alternative supplier.

Execution of Orders

The Sub-Fund's trading strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager . The Sub-Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to the Sub-Fund, its brokers, agents or other service providers. In such event, the Sub-Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Sub-Fund might not be able to make such adjustment. As a result, the Sub-Fund would not be able to achieve the market position selected by the Investment Manager, and might incur a loss in liquidating its position.

MANAGEMENT AND ADMINISTRATION

In relation to the Company, details of the Directors, the AIFM, the Investment Manager, the Administrator, the Depositary and other professional advisors are set out in the Prospectus.

The Administrator will calculate the net asset value of the Sub-Fund (on which the Net Asset Value of the Sub-Fund and each Class of Shares will be based) in accordance with the same valuation principles that apply to the Company, which are more fully described in the section headed 'Valuation Principles' in the Prospectus.

OFFER, SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS

Classes of Shares

Shares will be available for subscription in the manner set out below.

Initial Offer Period

The initial offer period for the Euro Hedged Capitalization Share Class will be from 9 a.m. (Irish time) on 16 May 2014 until 5 p.m. (Irish time) on 17 February 2017, or such other dates as determined by the Directors in consultation with the AIFM and in accordance with the Central Bank of Ireland's requirements.

The initial offer period for the Swedish Kroner (SEK) Hedged Capitalization Share Class will be from 9 a.m. (Irish time) on 16 May 2014 until 5 p.m. (Irish time) on 17 February 2017, or such other dates as determined by the Directors in accordance with the Central Bank of Ireland's requirements.

The initial offer period for the U.S. Dollar Capitalization Share Class closed on 19 May 2014 and the initial offer period for the Euro Hedged Distribution Share Class closed on 25 June 2014.

During the relevant initial offer period, the initial offer price for the Shares will be as follows:

Share Class	Currency	Price
Euro Hedged Capitalization Share Class	EUR	100
Swedish Kroner (SEK) Hedged Capitalization Share Class	SEK	500

Minimum Subscriptions

In the case of an applicant's first subscription into the Sub-Fund, an applicant must subscribe for the relevant Minimum Initial Subscription (although the Directors may in consultation with the AIFM in their absolute discretion permit an initial subscription of less than the Minimum Initial Subscription provided that such lesser amount is in accordance with the requirements of the Central Bank of Ireland). Applicants who are Knowledgeable Employees may subscribe for lesser amounts than the Minimum Initial Subscription provided that such investor provides to the Company the relevant certification as set out in the definition of "Knowledgeable Employee" contained in the Prospectus.

Subscriptions Following the Initial Offer Period

Following the initial offer period, the Shares will be available for general subscription at each Subscription Date, subject to certain restrictions (as described in the section of the Prospectus headed "Investor Restrictions").

Shares are available for subscription at the Net Asset Value per Share as at the Valuation Point on the Valuation Date immediately preceding the relevant Subscription Date. Monies subscribed for each Class should be in the denominated currency of the relevant Share Class.

In order to subscribe for Shares in the Sub-Fund, investors will be required to complete an application form (available from the Administrator)(the "**Application Form**") and send it by post, delivery or fax (with the original form and supporting documentation in relation to anti-money laundering checks to follow promptly by post) to the Administrator to be received no later than 3.30 p.m. (Dublin time) on the Business Day immediately preceding the Subscription Date on which Shares are to be issued. In the context of requests for further subscriptions, such requests may be sent by post, fax, or any other method deemed acceptable by the Administrator to be received by the times stipulated above. Subscription requests not received by these times will, subject to the discretion of the AIFM, be held over and applied on the next Subscription Date.

Subscription monies must be received by the Administrator, for the account of the Sub-Fund, by no later than 5.00 p.m. (Dublin time) on the Business Day three Business Days immediately following the relevant Subscription Date on which Shares are to be issued. If payment in full has not been received by the relevant times stipulated above, the application may be refused and the Shares provisionally allotted will be cancelled.

Investors will be required to agree to indemnify and hold harmless the Company, the AIFM, the Directors, the Investment Manager, the Administrator and the Depositary for any losses, costs or expenses incurred by them as a result of the failure or default of the investor to transmit subscription monies in immediately available funds to the account of the Company within the time specified above.

Applications not received or incorrectly completed applications received by the Administrator by the times stipulated above will, subject to the discretion of the Investment Manager in consultation with the AIFM, be held over and applied on the next Subscription Date.

Transfers

The procedure for transferring Shares is set out in the Prospectus.

Redemption Procedure

Following the initial offer period, Shares will be redeemable at the option of the Shareholder on each Redemption Date except in the circumstances described herein and in the Prospectus. Shares will be redeemed at the Net Asset Value per Share as calculated at the Valuation Point on the Valuation Date immediately preceding the relevant Redemption Date.

Requests for redemption may be made by post, delivery, fax or other methods deemed acceptable by the Administrator, to the Administrator so as to be received by no later than 3.30 p.m. (Dublin time) on the Business Day immediately preceding the relevant Redemption Date on which the Shares are to be redeemed. Redemption requests not received by this time will, subject to the discretion of the Investment Manager in consultation with the AIFM, be held over and applied on the next following Redemption Date.

A request for a partial redemption of Shares will be refused, or the holding may be redeemed in its entirety, if, as a result of such partial redemption, the aggregate Net Asset Value of the Shares maintained by the Shareholder would be less than the Minimum Holding specified in the relevant section herein.

Settlement for redemptions will normally be made by telegraphic transfer or other form of bank transfer to the bank account in the name of the Shareholder specified in the Application Form (at the Shareholder's risk) within eighteen Business Days of the day in which the relevant redemption request was processed. The Sub-Fund aims to pay redemption proceeds within eighteen Business Days following the Redemption Date, without interest, provided the Administrator has received the correct repurchase documentation, including all relevant anti-money laundering documentation. This reflects the redemption policy of the Sub-Fund. No payments to third parties will be effected. Redemption proceeds will not be remitted until the original Application Form has been received from the Shareholder and all documentation required by the Administrator including any documents in connection with anti-money laundering procedures have been received and anti-money laundering procedures have been completed. Any amendments to an investor's registration details and payment instructions can only be effected upon receipt of original documentation.

As set out in the Prospectus, the Directors also reserve the right, in consultation with the AIFM, to compulsorily redeem all Shares held by a Shareholder if, among other reasons, the aggregate Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding specified herein. Prior to any compulsory redemption of Shares, the Directors will notify the Shareholders in writing and allow such Shareholder 30 days to purchase additional Shares to meet this minimum requirement.

Conversion of Shares

The procedure for converting Shares is set out in the Prospectus.

Anti-dilution Levy

The Sub-Fund may suffer a reduction in value as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments. This is known as "dilution". To prevent this and to protect the interests of all Shareholders including potential Shareholders an anti-dilution levy may be charged, which will be for the benefit of the Sub-Fund.

In calculating the subscription price for Shares, the Company may, on any Subscription Date where there are net subscriptions, adjust the subscription price by applying an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Sub-Fund. Furthermore, in calculating the redemption price for Shares, the Company may, on any Redemption Date where there are net redemptions, adjust the redemption price by deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Sub-Fund. Such anti-dilution levy will amount to a maximum value of 1% of the subscription or redemption amount, as applicable.

FEES AND EXPENSES

Details of the fees payable to the Directors of the Company and other fees and expenses are set out in the Prospectus.

AIFM Management Fee

Under the provisions of the AIFM Agreement, the AIFM will be paid a fee by the Investment Manager out of the investment management fee, accrued at each Valuation Point, together with any VAT, if applicable and payable monthly in arrears.

The AIFM shall also be entitled to be repaid out of the investment management fee all of its reasonable out of pocket expenses incurred on behalf of the Sub-Fund together with VAT (if any thereon).

Investment Management Fee

Under the provisions of the Investment Management Agreement, the Company will pay the Investment Manager a fee at a rate of up to 0.60% of the Net Asset Value of the Sub-Fund per annum in respect of its duties as investment manager of each Sub-Fund or Class of Shares.

The Investment Manager is entitled to this annual fee out of the assets of the Sub-Fund, accrued at each Valuation Point and payable quarterly in arrears based on the Net Asset Value of the Sub-Fund as at the immediately preceding Valuation Point (together with any applicable VAT).

The Investment Manager is also entitled to receive out of the assets of the Sub-Fund reasonable and properly vouched out of pocket expenses incurred on behalf of the Sub-Fund.

Performance Fee

A performance fee will not be charged by the Investment Manager in respect of the Sub-Fund.

Administration Fee

An administration fee of up to 6.0 basis points of the Net Asset Value of the Sub-Fund per annum may be paid to the Administrator in respect of the aggregate services provided by the Administrator to the Sub-Fund under the Administration Agreement. Such fees may be charged to the assets of the Sub-Fund in such proportions as may be agreed between the Investment Manager and the Administrator. The fees will accrue daily and shall be payable monthly in arrears based on the Net Asset Value of the Sub-Fund as at the immediately preceding Valuation Point (together with any applicable VAT). For the avoidance of doubt, the Administration Fee includes all pricing data or other valuation-related costs and charges. The Administrator shall also be entitled to be paid, out of the assets of the Sub-Fund, any properly vouched out-of-pocket expenses incurred in the performance of its duties.

Depositary Fee

A Depositary fee of up to 3.0 basis points of the Net Asset Value of the Sub-Fund per annum may be paid to the Depositary in respect of the aggregate services provided by the Depositary to the Sub-Fund under the Depositary Agreement. Such fees may be charged to the assets of the Sub-Fund. The fees will accrue daily and shall be payable monthly in arrears based on the Net Asset Value of the Sub-Fund as at the immediately preceding Valuation Point (together with any applicable VAT). The Depositary shall also be entitled to receive, out of the assets of the Sub-Fund any properly vouched out-of-pocket expenses in the provisions of its duties.

Establishment Expenses

The expenses incurred in connection with the establishment of the Company and the Sub-Fund are as set out in the section headed "Fees and Expenses" in the Prospectus. Any Sub-Fund of the Company which may be established at a later date may, at the absolute discretion of the Directors in consultation with the AIFM, be allocated such portion of the formation expenses of the Company as the Directors consider to be fair in the circumstances.

GENERAL INFORMATION

Availability of Documents

Copies of the following documents are available free of charge at the registered office of the Company AIFM:

(i) the Memorandum and Articles of Association of the Company;

(ii) the Prospectus;

(iii) this Supplement; and

(iv) the Company's most recently published annual report.