

The Directors of LSV Funds plc (the “**Company**”) whose names appear in the “**Directory**” of 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 and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information.

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## **LSV U.S. VALUE EQUITY FUND**

**(A sub-fund of LSV Funds plc, an investment company with variable capital incorporated with limited liability in Ireland with registered number 543309, established as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))**

### **SUPPLEMENT NO. 1**

**INVESTMENT MANAGER  
LSV ASSET MANAGEMENT  
DATED 20 JANUARY 2017**

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This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 20 January 2017 (the “**Prospectus**”) in relation to the Company and contains information relating to the LSV U.S. Value Equity Fund which is a sub-fund of the Company.

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## DEFINITIONS

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Any words or terms not defined in this Supplement have the same meaning given to them in the Prospectus. The Fund is established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("**UCITS Regulations**") and this Supplement will be construed accordingly and will comply with the applicable Central Bank UCITS Regulations.

"**Business Day**" means:

- (i) any day (except Saturday or Sunday) on which the banks in Ireland and the United States are open for business; or
- (ii) such other day or days as may be determined from time to time by the Directors and notified in advance to Shareholders;

"**Dealing Day**", being the day upon which redemptions and subscriptions occur, means

- (i) each Business Day; and / or
- (ii) any other day which the Directors have determined, subject to advance notice to all Shareholders in the Fund and provided there is at least one Dealing Day per fortnight;

"**Fund**" means the LSV U.S. Value Equity Fund;

"**Redemption Cut-Off Time**" means 4:00 pm (Greenwich Mean Time) on the Business Day immediately preceding the relevant Dealing Day;

"**Subscription Cut-Off Time**" means 4:00 pm (Greenwich Mean Time) on the Business Day immediately preceding the relevant Dealing Day;

"**Valuation Day**" means in respect of each Dealing Day, the Business Day immediately preceding that Dealing Day, unless otherwise determined by the Directors;

"**Valuation Point**" means 4:00 pm (Eastern Time) on each Valuation Day or such other time as the Directors may determine in respect of the Fund from time to time and notify to Shareholders.

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## THE FUND

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The LSV U.S. Value Equity Fund is a sub-fund of LSV Funds plc, an investment company with variable capital incorporated in Ireland with registered number 543309 and established as an umbrella fund with segregated liability between sub-funds.

The Company currently offers two Classes of Shares in the Fund as set out below. The Company may also create additional Classes of Shares in the Fund in the future with prior notification to, and clearance in advance by, the Central Bank.

Share Class Description	Class Currency	Investment Management Fee	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
USD A Class	USD	0.50% of NAV per annum	USD500,000	N/A	USD100,000
USD D Class	USD	0.50% of NAV per annum	USD500,000	N/A	USD100,000

### Irish Stock Exchange Listing

The USD A Class of Shares were admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange on 7 October 2014. The USD D Class of Shares were admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange on 17 October 2016.

The Directors do not anticipate that an active secondary market will develop in any listed Shares. Neither the admission of the Shares to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange will constitute a warranty or representation by the Irish Stock Exchange as to the competence of the service providers or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

The launch and listing of various Classes of Shares within the Fund may occur at different times and therefore, at the time of the launch of a Class of Shares, the pool of assets to which such Class relates may have commenced trading. For further information in this regard, the most recent interim and annual reports of the Company will be made available to potential investors upon request. Investors should contact the Investment Manager to determine which Classes in each Fund are available for subscription and/or listed on the Irish Stock Exchange at any particular time.

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## INVESTMENT OBJECTIVE AND POLICIES

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The investment objective of the Fund is to seek long-term growth of capital by structuring and maintaining for the Fund a well-diversified portfolio of U.S. stocks.

The Fund will invest primarily in equity securities listed or traded on Recognised Markets in the U.S. In selecting securities for the Fund, the Investment Manager focuses on medium to large U.S. companies (i.e., those with market capitalizations of US\$1 billion or more at the time of purchase) whose securities, in the Investment Manager's opinion, are out-of-favor (undervalued) in the marketplace at the time of purchase and have potential for near-term appreciation. The Fund may also invest, to a lesser extent, in common stocks of such undervalued companies with small market capitalizations (between US\$500 million and US\$1 billion). The Investment Manager believes that these out-of-favor securities will produce superior future returns if their future growth exceeds the market's low expectations. The Fund expects to remain as fully invested in the above securities as practicable.

Equity securities include public and privately issued equity securities, common and preferred stocks.

The Investment Manager uses a strictly quantitative investment model to make investment decisions for the Fund. The investment model ranks securities based on fundamental measures of value (such as the price-to-earnings ratio) and indicators of near-term appreciation potential (such as recent price appreciation). The investment model selects stocks to buy from the higher-ranked stocks and selects stocks to sell from those whose rankings have decreased. This investment strategy seeks to control overall portfolio risk while seeking to maximize the expected return. The Fund seeks to maintain a well-diversified portfolio without a particular industry or sector focus. The Fund is expected to experience a low level of portfolio turnover.

The fundamental premise on which the Investment Manager's investment philosophy is based is that superior long-term results can be achieved by systematically exploiting the judgmental biases and behavioral weaknesses that influence the decisions of many investors. These include: the tendency to extrapolate the past too far into the future, to wrongly equate a good company with a good investment irrespective of price, to ignore statistical evidence and to develop a "mindset" about a company.

There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. Investors should carefully assess the risks associated with an investment in the Fund. See "Risks Considerations" in the Prospectus and below.

### Investment Restrictions

Please refer to the "Investment Restrictions" at Appendix D of the Prospectus for more information with regard to investment restrictions of the Fund.

The Fund's exposure to securities financing transactions is as set out below (as a percentage of Net Asset Value):

	Expected	Maximum
Stock Lending	0%	50%

The Fund will not enter into repurchase or reverse repurchase agreements or total return swaps.

### Borrowing and Leverage

The Fund will be subject to the borrowing restrictions pursuant to the UCITS Regulations, as set out in the section entitled "Borrowing Policy" in the Prospectus.

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## RISK CONSIDERATIONS

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There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. Investors should be aware of the risks of the Fund including, but not limited to, the risks described in the "Risk Considerations" section of the Prospectus and below. An investment in the Fund is suitable only for persons who are in a position to take such risks.

### **Limited Operating History; No Reliance on Past Performance**

The Fund has no operating history upon which prospective investors can evaluate its likely performance. The past investment performance of the Investment Manager should not be construed as an indication of the future results of the Investment Manager and its affiliates or the Fund. The results of other investment funds formed and accounts managed by the Investment Manager, currently or in the past, which have or have had investment policies that are different from or similar to the investment policies of the Fund, are not indicative of the results that the Fund may achieve. The Fund will make investments in different portfolios of securities. Accordingly, the Fund's results may differ from and are independent of the results previously obtained by the Investment Manager and those investment funds and accounts. Further, the Fund and its method of operation may differ in several respects from other investment vehicles or accounts managed by the Investment Manager; e.g., there are different investment and return objectives and investment allocation strategies and, in certain cases, investment techniques.

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## INVESTOR PROFILE

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The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The typical investors of the Fund are expected to be institutional and individual high net worth investors.

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## DIVIDEND POLICY

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The Directors intend to declare dividends in respect of the net investment income on the Fund's investments attributable to the USD D Class Shares as at 31 October in each year. Such dividends will be paid by the Fund within 10 Business Days of 31 October by transfer to the relevant Shareholders' bank accounts of record which will also result in a decrease in the Net Asset Value per Share of the USD D Class Shares. Any dividends paid in respect of Shares which are admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange will be in accordance with the rules of the Irish Stock Exchange.

The Directors nevertheless retain the right not to declare dividends in respect of such net investment income on the Fund's investments attributable to the USD D Class Shares in their sole discretion. In the event that the Directors determine not to declare dividends in respect of the USD D Class Shares in the Fund, Shareholders will be notified in advance of any such change in the dividend policy and full details will be disclosed in an updated Supplement.

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## FEES AND EXPENSES

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The following fees and expenses apply in respect of the Fund.

The Fund pays all of its own operating expenses and bears its pro rata share of the operating expenses of the Company which may be incurred by the Fund, the Company, the Investment Manager or their respective affiliates including, but not limited to the following expenses (i) external legal, accounting, auditing, and other professional expenses; (ii) administration fees and expenses; (iii) certain insurance expenses; (iv) research expenses (including research-related travel), (v) custodial and sub-custodial fees and expenses, (vi) transfer agent and registrar fees; (vii) the cost of valuation services; (viii) company secretarial fees, (ix) the cost of preparing, printing, publishing, translating and

distributing (in such languages as may be necessary) prospectuses, supplements, annual reports, financial statements, notices and other documents or information to current and prospective Shareholders (including the costs of developing and enhancing computer software and electronic transmission techniques to distribute such documents or information), (x) the expense of publishing price and yield information in relevant media, (xi) the costs and expenses of obtaining and/or maintaining bank services; (xii) the costs and expenses of obtaining and/or maintaining authorisations or registrations with the regulatory authorities in any jurisdiction, including any levy applied by the Central Bank; (xiii) the cost of listing and maintaining a listing on any stock exchange, (xiv) marketing and promotional expenses; (xv) Directors' fees, (xvi) the cost of convening and holding Directors' and Shareholders' and other meetings; (xvii) all expenses arising in respect of the termination or liquidation of the Company or the Fund; and (xviii) organizational expenses (including expenses incurred in the formation of the Company and Fund and the offering of Shares which are being amortized over a period of 60 months from the date the Fund commenced operations) - items (i)-(xviii), the "**Capped Expenses**" and (xix) the Management Fee; (xx) litigation or other extraordinary expenses; (xxi) investment expenses such as commissions and brokerage fees (including fees related to negotiation of commissions and brokerage fees); (xxii) interest on margin accounts and other indebtedness; (xxiii) taxes, including without limitation, withholding, net income, franchise, valued added, stamp and transfer taxes, along with any interest and penalties thereon or other additions to such taxes and (xxiv) other expenses related to the purchase, sale, monitoring or transmittal of the Fund's or Company's assets as will be determined by the Board of Directors in its sole discretion - items (xix) – (xxiv), the "**Uncapped Expenses**").

The Investment Manager has agreed to limit the Capped Expenses to no more than 0.25% per annum of the NAV of the Fund (the "**Expense Cap**"), determined as of the end of each calendar month, and the Investment Manager will absorb any Capped Expenses in excess of the Expense Cap by reimbursing the Fund after the end of each calendar month (or more frequently, if applicable) for such Capped Expenses. For the avoidance of doubt, the Fund will pay all of the Uncapped Expenses and the Uncapped Expenses will not be subject to the Expense Cap.

### **Investment Management Fees**

The Investment Manager will receive a management fee (the "**Management Fee**") in respect of each class for management services to the Fund, equal to an annualized rate of up to 0.50% of the NAV attributable to each class. The Management Fee is accrued daily and paid monthly, in arrears.

For purposes of calculating the Management Fee for any Business Day, the NAV of the Fund attributable to a class is determined by or under the direction of the Directors, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

Notwithstanding the foregoing, the Investment Manager may, in its sole discretion, during any period, elect to waive a portion of its fees with respect to the Fund or any Class without notice to Shareholders. In addition, the Fund may issue Shares of a separate Class that may calculate the management fee differently or charge a lower management fee.

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## **SUBSCRIPTION AND REDEMPTION OF SHARES**

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### **Eligible Investors**

Subject to the section "Transfer of Shares" in the Prospectus, applicants will generally be obliged to certify that they are not U.S. Persons.

The Company and the Administrator reserve the right to reject in whole or in part any application for Shares. Where an application for Shares is rejected, the subscription monies will be returned to the applicant within fourteen (14) days of the date of such application at the applicant's cost and risk and no interest or other compensation will be payable in respect of such returned monies.

## **Minimum Subscription**

The minimum initial and additional subscription for each class of Share is set out on page 3 of this Supplement, unless otherwise determined by the Company.

## **Minimum Holding**

A Shareholder may not make a partial redemption of Shares which would result in less than the minimum holding amount, specified for the relevant class of Shares on page 3 (or its Class Currency equivalent) unless otherwise determined by the Company.

In the event that a Shareholder requests a partial redemption of their Shares which would result in such Shareholder holding less than the minimum holding amount above, the Company may, in its sole discretion (a) treat such redemption request as a redemption of the relevant Shareholder's entire holding of the relevant Class of Shares; (b) reject such partial redemption request; or (c) accept such partial redemption request. Shareholders will be notified before or after the relevant Dealing Day in the event that the Company determines to (i) treat such redemption request as a redemption of the relevant Shareholder's entire holding of the relevant Class of Shares or (ii) reject such partial redemption request.

Where the value of a Shareholder's Shares has fallen below the minimum holding requirement due to a decline in the NAV of the Fund or an unfavourable change in currency rates, this will not be considered to be a breach of the minimum holding requirement.

## **Offer Price**

Shares in the USD A Class and USD D Class will be issued on the relevant Dealing Day at the relevant Net Asset Value per Share for the applicable Class on the terms and in accordance with the procedures described herein. Subscription monies must be paid in the Class Currency and must be paid by wire transfer to the bank account of the Administrator. Money must be remitted from an account in the name of the investor(s).

## **Applications for Shares**

Applications for Shares in the Fund should be made by written application using the Subscription Agreement available from the Administrator. Subscription Agreements, duly completed together with all supporting documentation in relation to money laundering prevention checks, should be sent to the Administrator, in accordance with the instructions contained in the Subscription Agreement, prior to the Subscription Cut-Off Time, unless the Directors determine in their sole discretion to accept such subscriptions in exceptional circumstances and provided that such subscriptions for Shares are received before the Valuation Point on the relevant Dealing Day. Subscription Agreements may be sent by facsimile or signed PDF via email to the Administrator. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile or signed PDF via email as previously agreed with the Administrator.

In respect of a Class, cleared funds representing the subscription monies must be received by the Company by 4:00 pm (Greenwich Mean Time) on the relevant Dealing Day (or such other period as the Directors may determine). If cleared funds representing the subscription monies are not received by the Company by 4:00 pm (Greenwich Mean Time) on the relevant Dealing Day, or such other day as is determined by the Directors from time to time, the Directors reserve the right to reject the subscription and/or cancel the provisional allotment of Shares, as appropriate. In such an event the investor will indemnify the Company, the Investment Manager, the Administrator and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In the event that the Directors decide not to cancel a provisional allotment of Shares notwithstanding that cleared funds have been received by the Company after the relevant cut-off time, the Directors reserve the right to charge interest on such

subscription monies at prevailing interest rates commencing on the Business Day following the relevant Dealing Day. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Directors may, in their sole discretion, redeem any Shares held by the Shareholder in the Company and apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the Company, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Redemption of Shares – Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax" in the Prospectus.

The Company or the Administrator may, in its sole discretion, reject any subscription in whole or in part without reason.

Shares in the Fund will be issued on the terms and in accordance with the procedures described in the Prospectus.

### **Redemption Applications**

If Redemption Applications on any Dealing Day exceed 10% of the NAV of the Fund, or such higher percentage as the Directors may determine in their sole discretion in respect of any Dealing Day (the "**Gate Amount**"), the Company may (i) reduce all such Redemption Applications pro rata (in accordance with the size of the Redemption Applications so that Shares redeemed on such Dealing Day, in aggregate, represent only the Gate Amount) and (ii) defer Redemption Applications in excess of the Gate Amount to subsequent Dealing Days, subject to any Gate Amount applicable on any such Dealing Day. Any deferred Redemption Applications will be treated pro rata on any subsequent Dealing Day with other Redemption Applications received on subsequent Dealing Days from Shareholders. Except at the sole discretion of the Company, any such deferred Redemption Application may not be revoked.

Shareholders may request that Shares be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator in accordance with the procedures set out in the Prospectus. Redemption Applications will generally not be accepted after the Redemption Cut-Off Time. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable Dealing Day, unless the Directors determine in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day.

Shares will be redeemed at the applicable NAV per Share on the Dealing Day as of which the redemption is effected, subject to any applicable fees associated with such redemption. Subject to any provisions contained herein, distributions in respect of redemptions will be paid in full (on the basis of unaudited data) in the applicable Class Currency of the Shares being redeemed normally within three Business Days after the relevant Dealing Day and in any event will not exceed ten (10) Business Days. All payments will be made by transfer to the bank account previously designated by Shareholders for such purpose.

Please note that no redemption payment may be made to a Shareholder until the Subscription Agreement and all documentation required by the Company and the Administrator, including any document in connection with all relevant anti-money laundering legislation or other requirements and/or any anti-money laundering procedures have been completed, has been received by the Administrator.