
Merrion Capital Investment Funds plc

(the “Company”)

An open-ended investment company with variable capital incorporated in Ireland with registered number 427248 established as an umbrella fund with segregated liability between sub-funds.

Merrion Irish Opportunities Fund

(the “Fund”)

SUPPLEMENT TO PROSPECTUS

22 February 2017

The Merrion Irish Opportunities Fund is a Fund of Merrion Capital Investment Funds plc, an investment company with variable capital established pursuant to the Regulations as an umbrella fund with segregated liability between Funds, in which different Funds may be created from time to time, with the prior approval of the Central Bank. Two classes of Shares in the Fund are offered through this Supplement, the Class A Shares and the Class B Shares.

A description of Merrion Capital Investment Funds plc, its management and administration, taxation and risk factors is contained in the Prospectus.

This Supplement relates to the Merrion Irish Opportunities Fund 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. The other current Funds of the Company are the Merrion Balanced Fund, the Merrion Growth Fund, the Merrion European Absolute Return Fund and the Merrion Global Equity Income Fund.

The information contained in this Supplement should be read in the context of, and together with, the information contained in the Prospectus, and distribution of this Supplement is not authorised unless accompanied by or supplied in conjunction with a copy of the Prospectus.

An investment in the Fund should not constitute a substantial portion of an investor's portfolio and may not be appropriate for all investors.

The Directors of the Company, whose names appear on page ii 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 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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Section I : General

DEFINITIONS

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

“Central Bank”	means the Central Bank of Ireland or any successor thereto;
“Fund”	means the Merrion Irish Opportunities Fund;
“Institutional Investor(s)”	means (i) a regulated investment intermediary, (ii) a bank, (iii) an insurance undertaking, (iv) another Exempt Irish Resident;
“Investment Manager”	means Merrion Capital Investment Managers Limited;
“Prospectus”	means the prospectus of the Company dated 22 February 2017 and all relevant supplements and revisions thereto;
“Redemption Date”	means every Business Day;
“Shares”	means the Class A Shares and Class B Shares of the Fund;
“Subscription Date”	means every Business Day;
“Supplement”	means this supplement;
“Valuation Date”	means every Business Day; and
“Valuation Point”	means 9.00 p.m. (Dublin time) on each Valuation Date.

Section I : General

The Fund

This Supplement is issued in connection with the offer of the Merrion Irish Opportunities Fund which has two classes of Shares, namely the “Class A Shares” and “Class B Shares”. The Directors of the Company may create new classes of Shares in the Fund from time to time, provided that the creation of any such new class of Shares is notified and cleared in advance to the Central Bank. A separate pool of assets will not be maintained for each class of Shares.

The Fund is denominated in Euro.

Investment Objective

The Merrion Irish Opportunities Fund enables investors to invest in a collective capital investment fund operating on the principle of risk-spreading. The investment objective of the Merrion Irish Opportunities Fund is to capture the capital growth potential inherent in equity markets over the long term through investing in a portfolio of diversified transferable securities of companies domiciled in or having substantial business interests in Ireland. The Investment Manager will apply prudent diversification criteria to the stock holdings and may hold bonds and cash as protection in uncertain markets.

Investment Policy

The Fund’s investment objective will be achieved by investing in equities listed or traded on Recognised Markets, but may from time to time invest in cash deposits and bonds. Any such bonds will be of Investment Grade and shall include, but are not limited to, floating rate notes, fixed and variable rate securities, government bills and bonds issued by governments of EU Member States or OECD member states, corporations, financial institutions and multi-governmental institutions such as the World Bank and the European Investment Bank. All of the transferable securities to be acquired by the Fund will be listed or traded on Recognised Markets. In addition, the Fund may include in its portfolio cash deposits or other ancillary liquid assets, held in accordance with the Central Bank UCITS Regulations.

The equities to be acquired by the Fund will consist of shares issued by a range of companies domiciled in or having substantial business interests in Ireland (including sectors such as financial, healthcare, consumer discretionary, consumer staples, energy, basic materials, telecommunications, utilities, technology, and industrials). The companies will vary in size in terms of market capitalisation. The Investment Manager will apply prudent diversification criteria to the stock holdings.

The Investment Manager may utilise foreign exchange forwards to hedge and/or gain foreign currency exposure. It is intended that the use of such foreign exchange forwards will reduce the currency risk in respect of the Fund and will better enable the Fund to manage its assets and liabilities.

Foreign exchange forwards are agreements to exchange two designated currencies at a specific time in the future for a pre-determined price. The Investment Manager may invest in foreign exchange forwards to provide (i) protection against exchange rate risks on a Sub-Fund’s assets and liabilities and/or (ii) foreign exchange exposure, in each case subject to the conditions and limitations set out in the Regulations. The Company has a risk management process in place which enables it to accurately measure, monitor and manage the risks attached to foreign exchange forwards, and details of this process have been provided to, and approved by, the Central Bank in accordance with the Central Bank UCITS Regulations. Investors should note that returns which are derived from derivatives may be more volatile than returns which are derived from the asset underlying the derivatives. Accordingly, investors’ attention is drawn to the risk factors set out in the Prospectus, and in particular, the sections entitled “Currency Risk” and “Derivatives Risk”.

The Company shall calculate global exposure and potential leverage pursuant to the commitment approach as permitted under the Regulations. The maximum global exposure and potential leverage created by the use of foreign exchange forwards shall not exceed the limit prescribed by the Regulations (i.e. the Company must ensure that the Fund’s global exposure and leverage does not exceed the Fund’s total net asset value).

Section I: General

Investment Restrictions

The asset allocation of the Merrion Irish Opportunities Fund will be actively managed with broad asset ranges determined by the Investment Manager. The Fund may invest up to 10% of its Net Asset Value in recently issued equities which will be admitted to official listing on a Recognised Market within one year. In addition, the Fund may invest up to 10% of its Net Asset Value in the equities of unquoted companies.

Dividend Policy

It is currently not intended that the Fund will pay dividends or otherwise make distributions to Shareholders.

Risk Factors

Investors' attention is drawn to the risk factors set out in the Prospectus and to the following additional risk factors.

Shareholders should note that the management fees and expenses incurred by the Fund will as far as possible be deducted from the income of the Fund. If there is insufficient income, the balance will be charged to the capital of the Fund. This may have the effect of lowering the capital value of the Shareholder's investment.

Taxation

Any change in the Fund's tax status or in taxation legislation could affect the value of the investments held by the Fund and could affect the return to investors. Potential investors and Shareholders should note that the statements on taxation, which are set out herein are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Supplement and the Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the Fund. See section headed "Taxation" on page 31 in the Prospectus.

Investment Management and Distribution Fees

Investors' attention is drawn to the Fees and Expenses Section in the Prospectus and in Section II and III of this Supplement.

Establishment Expenses

The expenses incurred in connection with the establishment of the Company are set out in the section headed Fees and Expenses in the Prospectus and have been equally apportioned between the Initial Funds on the Closing Date. Any Funds of the Company which may be established at a later date may, at the absolute discretion of the Directors, be allocated such portion of the formation expenses of the Company as the Directors consider to be fair in the circumstances.

Compulsory Redemptions

The Directors may compulsorily redeem or transfer any holding of Shares in certain circumstances. See section headed "Compulsory Redemptions" on page 21 of the Prospectus.

Miscellaneous

As at the date hereof:

- (i) none of the Directors, their spouses or any connected person has any interest in the share capital of the Company or any options in respect of such capital;

Section I: General

- (ii) none of the Directors or any connected person has any interest, beneficial or non-beneficial, in the share capital of the Company or any options in respect of such capital;
- (iii) the Fund does not have any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance (other than normal trade bills) or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other material contingent liabilities; and
- (iv) None of the Directors has (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any of his assets; or (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

Section II: Class A Shares

DEFINITIONS

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

“Class A Shares”	means the class of Shares in the Fund, which are denominated in Euro;
“Minimum Holding”	means a minimum holding of €250,000 or such lesser amount as may be agreed by the Directors; and
“Minimum Subscription”	means a minimum subscription of €250,000 or such lesser amount as may be determined by the Directors in their absolute discretion in any particular case;

Section II: Class A Shares

Investors in the Class A Shares, in the case of an initial subscription into the Fund, must subscribe for at least the Minimum Subscription amount.

The Directors may in their absolute discretion, charge a subscription fee, payable to the Investment Manager, of up to 4% of the gross cash amount subscribed.

The closing date for subscriptions for the Class A Shares was 19 October 2006.

Subscriptions

Offer

Shares will be available for subscription at the Net Asset Value on each Subscription Date. Applicants must subscribe the relevant Minimum Subscription (in the case of an applicant's first subscription into the Fund).

The completed Application Form must be received by post, delivery or fax (with the original to follow as soon as is possible) by the Administrator no later than 4.00pm (Dublin time) on the Business Day before the Subscription Date on which Shares are to be issued. Subscription monies must be received by the Administrator, for the account of the Fund, by no later than 5pm (Dublin time), on the third Business Day after the relevant Subscription Date. 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.

Applications not received or incorrectly completed applications received by the Administrator by 4.00pm (Dublin time) on the Business Day before the Subscription Date on which Shares are to be issued shall be held over and applied on the next following Subscription Date or until such time as a properly completed Application Form is received by the Administrator on the date on which it is processed.

Investors in the Shares, in the case of an initial subscription into the Fund, must subscribe for at least the Minimum Subscription amount.

Redemptions

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 may be redeemed at the Net Asset Value on each Redemption Date. Requests for redemption may be made by post, delivery or fax to the Administrator so as to be received by no later than 4.00pm (Dublin time) on the relevant Redemption Date on which the Shares are to be redeemed. Shares will be redeemed at the Net Asset Value as calculated on the relevant Redemption Date.

Redemption requests not received by this time shall 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.

Settlement for redemptions will normally be made by telegraphic transfer or other form of bank transfer to the bank account of the Shareholder specified in the Application Form (at the Shareholder's risk) three Business Days from receipt by the Administrator of the correct repurchase documentation and in any event within ten days of the Redemption Date on which the redemption request has been processed. No payments to third parties will be effected.

No redemption payment may be made from that holding until all documentation required by the Administrator including any documents in connection with anti-money laundering procedures have been received.

Investment Management and Distribution Fees

In respect of investment management services and distribution services provided to the Fund in respect

Section II: Class A Shares

of the Class A Shares, the Company shall pay to the Investment Manager and Distributor an aggregate fee not exceeding 1.5% of the Net Asset Value of the Fund attributable to the Class A Shares

Section III: Class B Shares

DEFINITIONS

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

- “Class B Shares”** means the class of Shares in the Fund, which are denominated in Euro and which are intended for purchase primarily by Institutional Investors;
- “Closing Date”** is 4 p.m. Dublin time on 23 August 2016 or such earlier or later dates as the Investment Manager in its absolute discretion may determine and notify to the Central Bank, in accordance with its requirements; and
- “Initial Offer Period”** means the initial offer of Class B Shares in the Fund which will commence on 23 February 2017 (or such earlier or later dates as the Investment Manager in its absolute discretion may determine and notify to the Central Bank, in accordance with its requirements) and which will close on the Closing Date.

Section III: Class B Shares

Subscriptions

Class B Shares may only be acquired by Institutional Investors or such other investors as the Investment Manager may decide at its discretion.

During the Initial Offer Period, the Class B Shares will be issued at an offer price of €1 per Class B Share (the “Initial Offer Price”) and, subject to acceptance by the Investment Manager of applications for Class B Shares, will be issued on the first Business Day after the Closing Date.

During the Initial Offer Period investors should complete the subscription 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 money laundering checks to follow as soon as is possible) to the Administrator, to be received no later than 11.00am (Irish time) on the Closing Date. Subscription monies must be received by the Administrator, for the account of the Fund, by no later than 5.00pm (Irish time), on the second Business Day after the relevant Subscription Date. 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.

Shares will be available for subscription at the Net Asset Value on each Subscription Date.

The completed Application Form must be received by post, delivery or fax (with the original to follow as soon as is possible) by the Administrator no later than 4.00pm (Dublin time) on the Business Day before the Subscription Date on which Shares are to be issued. Subscription monies must be received by the Administrator, for the account of the Fund, by no later than 5pm (Dublin time), on the third Business Day after the relevant Subscription Date. 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.

Applications not received or incorrectly completed applications received by the Administrator by 4.00pm (Dublin time) on the Business Day before the Subscription Date on which Shares are to be issued shall be held over and applied on the next following Subscription Date or until such time as a properly completed Application Form is received by the Administrator on the date on which it is processed.

The Investment Manager may, in its absolute discretion, reject any application for Class B Shares in full or in part without ascribing any reason therefor. Amounts paid to the Company in respect of subscription applications which are rejected (or, in the case of applications which are not accepted in full, the balance of the amount paid) will be returned, where permitted by applicable law, to the applicant at his/her own risk and expense without interest.

Redemptions

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 may be redeemed at the Net Asset Value on each Redemption Date. Requests for redemption may be made by post, delivery or fax to the Administrator so as to be received by no later than 4.00pm (Dublin time) on the relevant Redemption Date on which the Shares are to be redeemed. Shares will be redeemed at the Net Asset Value as calculated on the relevant Redemption Date.

Redemption requests not received by this time shall be, held over and applied on the next following Redemption Date.

Settlement for redemptions will normally be made by telegraphic transfer or other form of bank transfer to the bank account of the Shareholder specified in the Application Form (at the Shareholder’s risk) three Business Days from receipt by the Administrator of the correct repurchase documentation and in any event within ten days of the Redemption Date on which the redemption request has been processed. No payments to third parties will be effected.

No redemption payment may be made from that holding until all documentation required by the

Section III: Class B Shares

Administrator including any documents in connection with anti-money laundering procedures have been received.

Section III: Class B Shares

Investment Management and Distribution Fee

In addition to the fees set out in the Prospectus and elsewhere in this Supplement, the following fees apply specifically to the Class B Shares.

In respect of investment management services and distribution services provided to the Fund in respect of the Class B Shares, the Company shall pay to the Investment Manager and Distributor an aggregate fee not exceeding 0.5% of Net Asset Value of the Fund attributable to the Class B Shares.