Tendercapital US Turnaround (the **Fund**)

a sub-fund of

TENDERCAPITAL FUNDS PLC

Supplement to the Prospectus

This Supplement contains specific information in relation to Tendercapital US Turnaround (the **Fund), a sub-fund of TENDERCAPITAL FUNDS PLC (**the **Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).**

This Supplement forms part of the Prospectus of the Company dated 10 May 2013 (the **Prospectus) and should be read in the context of and together with the Prospectus.**

The Directors of the Company, whose names appear under the section entitled **Directors of the Company** in the Prospectus, accept responsibility for the information contained in the Prospectus and 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **7 March 2014**

DIRECTORY

1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The Fund seeks to produce positive returns with medium/high volatility.

Investment Policy

The primary investment strategy of the Fund is to seek exposure to companies that are currently in difficulty or facing difficult times, with the objective of identifying those companies which could overcome the difficulties and recover in the future (turnaround companies). The strategy for allocating the Fund's investments will also be based on the Investment Manager's assessment of the market and the assets to which exposure is sought.

The Fund intends to seek to achieve its investment objective primarily through investing up to 100% of its Net Asset Value in US Dollar denominated equities and equity related securities across all industries and capitalizations but may also invest in liquid assets and as further outlined below.

The Fund may, directly or indirectly, invest in a diversified portfolio of equity and equity-related securities (including, options, index option strategies, convertible bonds, shares, warrants, and depository receipts, such as American Depositary Receipts (**ADRs**) and Global Depositary Receipts (**GDRs**)), primarily listed or traded on a Regulated Market in the US.

The Fund may also directly invest up to 10% of its Net Asset Value in aggregate in (i) equity and equity related securities which may be listed or traded on other Regulated Markets and may or may not be denominated in US Dollars; and/or (ii) collective investment schemes (**CIS**), including exchange traded funds. The CIS in which the Fund may invest will be compatible with the investment objective and policy of the Fund and any such investment will be inaccordance with the Central Bank's requirements.

The Fund may also invest from time to time up to 100% of its Net Asset Value directly in liquid assets, such as money market instruments (including, but not limited to, certificate of deposit, commercial paper and cash deposits denominated in such currency or currencies as the Investment Manager may determine) and fixed income instruments (such as notes, preferred securities, debentures, convertible and non-convertible bonds), issued or guaranteed by governments, municipalities, agencies, supranationals or corporates, which may offer fixed or variable interest rates and may be rated or unrated in pursuance of the investment objective of the Fund. Such investment could be made, in particular, where the Investment Manager considers that the markets for these securities look favourable compared to equity securities. Even in circumstances where the Fund invests substantially in liquid assets, the Fund will not be completely protected from market movements and as such the capital value of the Shares may fluctuate. No more than 30% of the Fund's Net Asset Value shall be directly invested in bonds which, at the time of their most recent purchase, were not rated investment grade by at least one credit rating agency approved by the Company or which are deemed by the Investment Manager to have an implied rating of investment grade, for instance by reference to other bonds issued by the issuer of the bond. The credit rating agencies currently approved for such purposes are Standard and Poors, Moody's, Fitch and DBRS. Convertible bonds may embed a derivative component being on debt or equity securities, a basket or baskets of or indices of debt or equity securities or on interest rates.

The securities held directly by the Fund will typically be listed or traded on one or more Regulated Markets and any investment in such securities which are unlisted will comply with the investment restrictions in the Prospectus.

Where considered appropriate, the Fund may utilise financial derivative techniques and instruments for investment purposes and/or efficient portfolio management and/or to protect against foreign exchange risks as further set out below, subject always to the conditions and within the limits laid down by the Central Bank. These techniques and instruments include futures, options, swaps, repurchase/ reverse repurchase agreements, spot and forward currency contracts and contracts for difference, which may be exchange traded or over the counter. The Fund may also utilize index option strategies for hedging purposes.

2. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

The Fund may, subject to the conditions and limits laid down by the Central Bank, enter into futures contracts on securities, securities indexes (for example DJSTOXX600, DJSTOXX50, S&P500 whose underlyings are equity and equity related securities) and currencies and also use options on futures contracts. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates, (ii) securities prices.

The Fund may, subject to the conditions and limits of the Central Bank, purchase and write call and put options on securities (or a combination of both), securities indexes (for example DJSTOXX600, DJSTOXX50, S&P100 whose underlyings are equity and equity related securities) and currencies. For example, the Fund may purchase put options (including equity index options: which are options regarding equity indexes such as for example DJSTOXX50, DJSTOXX600, S&P500) to provide an efficient, liquid and effective mechanism for "locking in" gains and/or protecting against future declines in value on securities that it owns. This allows the Fund to benefit from future gains in the value of a security without the risk of the fall in value of the security. The Fund may also purchase call options (including equity index options) to provide an efficient, liquid and effective mechanism for taking positions in securities. This allows the Fund to benefit from future gains in the value of a security without the need to purchase and hold the security. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates, (ii) securities prices.

The Fund may, subject to the conditions and limits of the Central Bank, utilise repurchase/reverse repurchase agreements. The Fund may only use these techniques for efficient portfolio management.

Forward currency contracts may, subject to the conditions and limits of the Central Bank, be used for investment purposes and/or to hedge currency exposures of the Fund or any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where the assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

Spot and forward currency contracts, currency swaps and currency futures may, at the discretion of the Investment Manager, be used to hedge currency exposures of the Fund or of any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

The Fund may also use interest rate swap contracts for hedging purposes to seek to manage its interest rate exposures and/or reduce the effect of interest rate fluctuations on debt securities held. In addition, interest rate swaps may be used for speculative purposes to seek to enhance the Fund's return. An interest rate swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments) and the return to the Fund will be based on the movement of interest rates relative to a fixed rate agreed by the parties to the swap.

The Fund may enter into CFD which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFD may be used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract is started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed out.

Efficient portfolio management transactions relating to the assets of the Fund are transactions with the one of the following aims a) a reduction of risk b) a reduction of cost with no increase or a minimal increase in risk; c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate.

The Fund may leverage itself through the use of derivatives, provided however that such leverage will not exceed an aggregate exposure of 100% of NAV. It is expected that the use of financial derivative techniques and instruments will not materially increase the Fund's risk level.

The Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI, in accordance with its risk management process and the requirements of the Central Bank.

Any FDI not included in the Risk Management Process (**RMP**) of the Company will not be utilised until such time as a revised RMP including such FDI has been submitted to and cleared by the Central Bank.

3. BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

4. INVESTMENT RESTRICTIONS

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus.

5. PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for investors who are seeking long term capital appreciation, who are prepared to accept high volatility. Therefore, investors should expect to hold their investment in the Fund for approximately 5-7 years.

6. RISK FACTORS

The risk factors under the section entitled Risk Factors in the Prospectus apply to this Fund.

Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular, the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment in the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.

7. DIVIDEND POLICY

No declarations or distributions shall be made in respect of the Accumulating Shares. The net income earned per Accumulating Share will be accumulated and reinvested on behalf of Shareholders of Accumulating Shares.

8. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Base Currency

The Base Currency of the Fund is Euro but investments may be denominated in other currencies.

Available Share Classes

The Company may issue Shares in each of the Share Classes set out in the table below.

Share Class	Denominated Currency	Minimum Shareholding*	Minimum Initial Investment Amount*	Minimum Additional Investment Amount*
Retail Accumulating Share Class	Euro	N/A	€5,000	N/A
Institutional Accumulating Share Class	Euro	N/A	€1,000,000	N/A

*currency equivalent in the denominated currency of a Share Class and in accordance with the section entitled **Currency of Payment** below.

The Directors (upon written confirmation to the Administrator) reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for any such Shareholders or to refuse an application for any such Shares in their absolute discretion.

Additional classes of Shares may be created in accordance with the requirements of the Central Bank.

Issue Price

Shares in the Retail Accumulating Share Class and Institutional Accumulating Share Class are continuously open for subscriptions at the Issue Price per Share of the relevant Share Class on the relevant Dealing Day.

Currency of Payment

Subscription and redemption monies are payable in the denominated currency of the Share Class in respect of which Shares are being subscribed for or redeemed as set out in the table above

Subscription Charge

A Subscription Charge of up to 3% of the Issue Price may be charged at the discretion of the Directors for payment to the Investment Manager or Distributor.

Redemption Charge

A Redemption Charge of up to 3% of the Redemption Price may be charged at the discretion of the Directors for payment to the Company.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus and, where relevant to the creation of additional Funds by the Company, an exchange fee of up to 3**%** may be imposed at the discretion of the Directors on all applications to exchange from one Share Class to another Share Class within the Fund or to a Share Class within another Fund of the Company.

Business Day

A day on which banks are open for business in Dublin and London or such other day as the Directors may, with the approval of the Custodian, determine.

Dealing Day

The Dealing Day for the Fund is every Business Day.

Dealing Deadline

The Dealing Deadline is 12 noon (Irish time) one Business Day prior to the relevant Dealing Day.

Valuation Point

The Valuation Point is close of business in the last relevant market on the Business Day immediately preceding the relevant Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Shares is the second Business Day following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares is the third Business Day following the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

9. HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

10. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

11. FEES AND EXPENSES

The following sections on fees should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable monthly in arrears, at an annual rate of up to and not exceeding (i) 1.8% of the Net Asset Value of the Retail Accumulating Share Class; and (ii) 0.6% **of** the Net Asset Value of the Institutional Accumulating Share Class (the **Capped Fee**). The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

Subject to the Capped Fee, the Investment Manager may, with the agreement of the Directors and with prior notification to the Administrator, waive, reduce or increase all or part of the investment management fee charged to certain Shareholders and accordingly may differentiate between Shareholders in the Fund in that regard. Any such waiver or reduction shall be effected by way of a cash rebate paid by or on behalf of the Investment Manager to the relevant Shareholder’s account. The Investment Manager will determine the rebate amount in each case, which will not exceed the Capped Fee, based on the assets invested in the Fund or a Share Class thereof, and accordingly, the investment management fee charged to certain Shareholders may be reduced or increased in accordance with the amount of fees rebated to the relevant Shareholders subject to the applicable Capped Fee.

Performance Fee

(1) Retail Accumulating Share Class

The Investment Manager will be entitled to receive out of the assets of the Fund a performance fee in respect of the Retail Accumulating Share Class (the **Performance Fee**) calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each Class of Shares) that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund and (iii) all Shares of the same Class have the same Net Asset Value per Share.

As of the first Dealing Day following the close of the Initial Offer Period for the relevant Share Class (**First Calculation Period**) and for each subsequent Dealing Day (each Dealing Day being a **Calculation Period**), for each Calculation Period, the Investment Manager shall be entitled to receive out of the assets of the Fund attributable to the Retail Accumulating Share Class a Performance Fee equal to 20% of the percentage increase in the Gross Asset Value per Share (i) from the Initial Issue Price during the first calendar month from the First Calculation Period (the **First Month**); (ii) with effect from the first Calculation Period following the First Month, from the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period, in each case calculated as follows:

(i) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class for each Calculation Period during the First Month is calculated by comparing the Gross Asset Value per Share for the relevant Dealing Day to the Initial Issue Price per Share (**A**). The Investment Manager is only entitled to a Performance Fee in respect of each Calculation Period within the First Month if A is a positive figure for the Calculation Period. Where A is a positive figure for a Calculation Period, to determine the amount of the Performance Fee to be accrued in respect of the Calculation Period, A will be annualised by multiplying A by 12 and diving the amount by the number of Dealing Days in a calendar year (250) and that amount shall be multiplied by the number of Shares in the Class determined as at the relevant Dealing Day and by the Net Asset Value per Share determined as at Valuation Point for the relevant Dealing Day;

(ii) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class for each Calculation Period following the First Month is calculated by comparing the Gross Asset Value per Share for the relevant Dealing Day to the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**B**)**.** The Investment Manager is only entitled to a Performance Fee in respect of a Calculation Period following the First Month if B is a positive figure. Where B is a positive figure for a Calculation Period, to determine the amount of the Performance Fee to be accrued in respect of the Calculation Period, B will be annualised by multiplying B by 12 and diving the amount by the number of Dealing Days in a calendar year (250) and that amount shall be multiplied by the number of Shares in the Class determined as at the relevant Dealing Day and by the Net Asset Value per Share determined as at Valuation Point for the relevant Dealing Day;

(iii) the Performance Fee shall be calculated by the Administrator (subject to the verification by the Custodian);

(iv) the Performance Fee is accrued daily on a pro quota basis from the relevant Class, starting from the First Calculation Period and shall be payable to the Investment Manager monthly in arrears.

Included in the calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of each calculation period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Gross Asset Value per Share is calculated using the following formula suggested by the Association of Italian Fund Management Companies (Assogestioni):

$$Q1(t) = Q1(t-1) \times \frac{([NAV(t) \times N(t)] + OG(t) + CG(t))}{([NAV(t-1) \times N(t)] + OG(t-1))}$$

Where:

Q1(t) is the Fund's Gross Asset Value per Share on the previous Dealing Day;
NAV(t) is the Net Asset Value per Share on the previous Dealing Day;
N(t) is the number of Shares in issue on the previous Dealing Day;
OG(t) is the cumulative amount of the investment management fees from the beginning of the month to the previous Dealing Day;
CG(t) is the amount of the investment management fees paid on the previous Dealing Day.
CG(t) is always equal to zero except in the day in which the investment management fees are effectively paid (the second Business Day of each month).

(2) Institutional Accumulating Share Class

The Investment Manager will be entitled to receive out of the assets of the Fund a performance fee in respect of the Institutional Accumulating Share Class (the **Performance Fee**) calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each Class of Shares) that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Performance Period, the Investment Manager shall be entitled to receive a Performance Fee out of the assets attributable to the Institutional Accumulating Share Class of 10% of the amount by which the Net Asset Value of the Share exceeds the Benchmark (plus VAT, if any), taking subscriptions and redemptions into account and calculated in the following manner:

1. For the first Performance Period in the first calendar year during which the Institutional Accumulating Share Class is launched, the **Benchmark** is the Initial Issue Price per Share. For the first Performance Period in each subsequent calendar year, the **Benchmark** is the Net Asset Value per Share at the last Valuation Point in the immediately preceding calendar year.

2. If the Net Asset Value per Share at the end of a Performance Period exceeds the Benchmark, a performance fee is payable. For each subsequent Performance Period, the Benchmark is the reported, final Net Asset Value per Share at the end of the previous Performance Period for which a performance fee was payable.

3. If the Net Asset Value per Share at the end of a Performance Period is lower than the Benchmark, no performance fee is payable. In this case, the Benchmark for the next Performance Period is the Benchmark for the previous Performance Period being the previous Performance Period for which a performance fee was payable.

4. When a performance fee is payable on Shares, it is calculated as the Net Asset Value per Share less the Benchmark multiplied by the performance fee rate for the Class set out above, multiplied by the number of Shares in issue at the end of the Performance Period. The number of Shares in issue at the end of the Performance Period shall be deemed to include Shares which fall to be redeemed and exclude Shares which fall to be issued as at the end of the Performance Period.

The Performance Fee will be calculated and be taken into account in the calculation of the Net Asset Value per Share as at the Valuation Point in respect of each Dealing Day.

A **Performance Period** means the period from one Valuation Point to the next. The first calculation period shall be the period from the close of the Initial Offer Period of the Class to the first Valuation Point. Fees payable to the Investment Manager shall be calculated and accrued on as at the Valuation Point in respect of each Dealing Day and shall be payable monthly in arrears.

The calculation of the performance fee will be verified by the Custodian.

Where a Performance Fee is payable out of the Fund it shall be calculated on the increase in the Net Asset Value per Share at the end of the relevant Performance Period. Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the Performance period and as a result Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Administration Fee

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.045% of the Net Asset Value of the Fund (plus VAT thereon), if any subject to an annual minimum fee of €20,000. The Administrator is also entitled to a fee of €10,000 for the provision of registrar and transfer agency services to the Fund plus additional fees charged at normal commercial rates where the scope of the services exceeds the thresholds initially agreed. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Custodian Fee

The Custodian shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.02% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum annual fee of €10,000. The Custodian shall also be entitled to be reimbursed for the fees paid by the Custodian to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Formation Costs

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund are estimated to amount to €20,000 and are will be amortised over the first five financial years of the Fund. In the event of a merger between this Fund and any other fund whereby this Fund receives the assets and liabilities of a fund as a result of the merger, the merging fund’s unamortised formation expenses will also be transferred as part of the merger and amortised over a period which shall be no longer than two years.

12. MISCELLANEOUS

At the date of this Supplement, there are four other Funds of the Company in existence, namely Tendercapital Cash 12 Months, Tendercapital Income Premium, Tendercapital Bond Two Steps and Tendercapital Secular Euro.

Tendercapital Secular Euro (the **Fund**)

a sub-fund of

TENDERCAPITAL FUNDS PLC

Supplement to the Prospectus

This Supplement contains specific information in relation to Tendercapital Secular Euro (the **Fund), a sub-fund of TENDERCAPITAL FUNDS PLC (**the **Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).**

This Supplement forms part of the Prospectus of the Company dated 10 May 2013 (the **Prospectus) and should be read in the context of and together with the Prospectus.**

The Directors of the Company, whose names appear under the section entitled **Directors of the Company** in the Prospectus, accept responsibility for the information contained in the Prospectus and 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **7 March 2014**

DIRECTORY

1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The Fund seeks to produce positive returns with medium/high volatility.

Investment Policy

The primary investment strategy of the Fund is to seek to identify and understand trends regarding, but not limited to, humanity (such as demographic trends, population growth/decline, immigration/emigration), production cycles (low, mid, high business production cycles), economic developments (technological enhancements, new technologies, internet, cloud computing, green technology) or country specific (gross domestic product (GDP) growth rates), with the objective of identifying and investing in those companies that could potentially benefit from the trends analysed. The strategy for allocating the Fund's investments will also be based on the Investment Manager's assessment of the market and the assets to which exposure is sought.

The Fund intends to seek to achieve its investment objective primarily through investing up to 100% of its Net Asset Value in Euro denominated equities and equity related securities, across all industries and capitalizations, but may also invest in liquid assets and as further outlined below.

The Fund may, directly or indirectly, invest in a diversified portfolio of equity and equity-related securities (including, options, index option strategies, convertible bonds, shares, warrants, and depository receipts) primarily listed or traded on a Regulated Market in Europe.

The Fund may also directly invest up to 10% of its Net Asset Value in aggregate in (i) equity and equity related securities, which may be listed or traded on other Regulated Markets and may or may not be denominated in Euro; and/or (ii) collective investment schemes (**CIS**), including exchange traded funds. The CIS in which the Fund may invest will be compatible with the investment objective and policy of the Fund and any such investment will be inaccordance with the Central Bank's requirements.

The Fund may also invest from time to time up to 100% of its Net Asset Value directly in liquid assets such as money market instruments (including, but not limited to, certificate of deposit, commercial paper and cash deposits denominated in such currency or currencies as the Investment Manager may determine) and fixed income instruments (such as notes, preferred securities, debentures, convertible and non-convertible bonds), issued or guaranteed by governments, municipalities, agencies, supranationals or corporates, which may offer fixed or variable interest rates and may be rated or unrated in pursuance of the investment objective of the Fund. Such investment could be made, in particular, where the Investment Manager considers that the markets for these securities look favourable compared to equity securities. Even in circumstances where the Fund invests substantially in liquid assets, the Fund will not be completely protected from market movements and as such the capital value of the Shares may fluctuate. No more than 30% of the Fund's Net Asset Value shall be directly invested in bonds which, at the time of their most recent purchase, were not rated investment grade by at least one credit rating agency approved by the Company or which are deemed by the Investment Manager to have an implied rating of investment grade, for instance by reference to other bonds issued by the issuer of the relevant bond. The credit rating agencies currently approved for such purposes are Standard and Poors, Moody's, Fitch and DBRS. Convertible bonds may embed a derivative component being on debt or equity securities, a basket or baskets of or indices of debt or equity securities or on interest rates.

The securities held directly by the Fund will typically be listed or traded on one or more Regulated Markets and any investment in such securities which are unlisted will comply with the investment restrictions in the Prospectus.

Where considered appropriate, the Fund may utilise financial derivative techniques and instruments for investment purposes and/or efficient portfolio management and/or to protect against foreign exchange risks as further set out below, subject always to the conditions and within the limits laid down by the Central Bank. These techniques and instruments include futures, options, swaps, repurchase/ reverse repurchase agreements, spot and forward currency contracts and contracts for difference, which may be exchange traded or over the counter. The Fund may also utilize index option strategies for hedging purposes.

2. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

The Fund may, subject to the conditions and limits of the Central Bank, enter into futures contracts on securities, securities indexes (for example DJSTOXX600, DJSTOXX50, S&P100 whose underlyings are equity and equity related securities) and currencies and also use options on futures contracts. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates, (ii) securities prices.

The Fund may, subject to the conditions and limits of the Central Bank, purchase and write call and put options on securities (or a combination of both), securities indexes (for example DJSTOXX600, DJSTOXX50, S&P100 whose underlyings are equity and equity related securities) and currencies. For example, the Fund may purchase put options (including equity index options: which are options regarding equity indexes such as for example DJSTOXX50, DJSTOXX600, S&P100) to provide an efficient, liquid and effective mechanism for "locking in" gains and/or protecting against future declines in value on securities that it owns. This allows the Fund to benefit from future gains in the value of a security without the risk of the fall in value of the security. The Fund may also purchase call options (including equity index options) to provide an efficient, liquid and effective mechanism for taking positions in securities. This allows the Fund to benefit from future gains in the value of a security without the need to purchase and hold the security. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates, (ii) securities prices.

The Fund may, subject to the conditions and limits of the Central Bank, utilise repurchase/reverse repurchase agreements. The Fund may only use these techniques for efficient portfolio management.

Forward currency contracts may, subject to the conditions and limits of the Central Bank, be used for investment purposes and/or to hedge currency exposures of the Fund or any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where the assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

Spot and forward currency contracts, currency swaps and currency futures may, at the discretion of the Investment Manager, be used to hedge currency exposures of the Fund or of any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

The Fund may also use interest rate swap contracts for hedging purposes to seek to manage its interest rate exposures and/or reduce the effect of interest rate fluctuations on debt securities held. In addition, interest rate swaps may be used for speculative purposes to seek to enhance the Fund's return. An interest rate swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments) and the return to the Fund will be based on the movement of interest rates relative to a fixed rate agreed by the parties to the swap.

The Fund may enter into CFD which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFD may be used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract is started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed out.

Efficient portfolio management transactions relating to the assets of the Fund are transactions with the one of the following aims a) a reduction of risk b) a reduction of cost with no increase or a minimal increase in risk; c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate.

The Fund may leverage itself through the use of derivatives, provided however that such leverage will not exceed an aggregate exposure of 100% of the Fund's NAV. Leverage will be calculated in accordance with the requirements of the Central Bank. It is expected that the use of financial derivative techniques and instruments will not materially increase the Fund’s risk level.

The Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI, in accordance with its risk management process and the requirements of the Central Bank.

Any FDI not included in the Risk Management Process (**RMP**) of the Company will not be utilised until such time as a revised RMP including such FDI has been submitted to and cleared by the Central Bank.

3. BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

4. INVESTMENT RESTRICTIONS

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus.

5. PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for investors who are seeking long term capital appreciation, who are prepared to accept high volatility. Therefore, investors should expect to hold their investment in the Fund for approximately 5-7 years.

6. RISK FACTORS

The risk factors under the section entitled Risk Factors in the Prospectus apply to this Fund.

Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular, the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment in the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.

7. DIVIDEND POLICY

No declarations or distributions shall be made in respect of the Accumulating Shares. The net income earned per Accumulating Share will be accumulated and reinvested on behalf of Shareholders of Accumulating Shares.

8. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Base Currency

The Base Currency of the Fund is Euro but investments may be denominated in other currencies.

Available Share Classes

The Company may issue Shares in each of the Share Classes set out in the table below.

Share Class	Denominated Currency	Minimum Shareholding*	Minimum Initial Investment Amount*	Minimum Additional Investment Amount*
Retail Accumulating Share Class	Euro	N/A	€5,000	N/A
Institutional Accumulating Share Class	Euro	N/A	€500,000	N/A

*currency equivalent in the denominated currency of a Share Class and in accordance with the section entitled **Currency of Payment** below.

The Directors (upon written confirmation to the Administrator) reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for any such Shareholders or to refuse an application for any such Shares in their absolute discretion.

Additional classes of Shares may be created in accordance with the requirements of the Central Bank.

Initial Offer Period & Issue Price

Shares in the Institutional Accumulating Share Class and the Retail Accumulating Share Class are continuously open for subscriptions at the Issue Price per Share of the relevant Share Class on the relevant Dealing Day.

Currency of Payment

Subscription and redemption monies are payable in the denominated currency of the Share Class in respect of which Shares are being subscribed for or redeemed as set out in the table above.

Subscription Charge

A Subscription Charge of up to 3% of the Issue Price may be charged at the discretion of the Directors for payment to the Investment Manager or Distributor.

Redemption Charge

A Redemption Charge of up to 3% of the Redemption Price may be charged at the discretion of the Directors for payment to the Company.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus and, where relevant to the creation of additional Funds by the Company, an exchange fee of up to 3**%** may be imposed at the discretion of the Directors on all applications to exchange from one Share Class to another Share Class within the Fund or to a Share Class within another Fund of the Company.

Business Day

A day on which banks are open for business in Dublin and London or such other day as the Directors may, with the approval of the Custodian, determine.

Dealing Day

The Dealing Day for the Fund is every Business Day.

Dealing Deadline

The Dealing Deadline is 12 noon (Irish time) one Business Day prior to the relevant Dealing Day.

Valuation Point

The Valuation Point is close of business in the last relevant market on the Business Day immediately preceding the relevant Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Shares is the second Business Day following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares is the third Business Day following the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

9. HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

10. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

11. FEES AND EXPENSES

The following sections on fees should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable monthly in arrears, at an annual rate of up to and not exceeding (i) 1.8% of the Net Asset Value of the Retail Accumulating Share Class; and (ii) 1.2% of the Net Asset Value of the Institutional Accumulating Share Class (the **Capped Fee**). The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

Subject to the Capped Fee, the Investment Manager may, with the agreement of the Directors and with prior notification to the Administrator, waive, reduce or increase all or part of the investment management fee charged to certain Shareholders and accordingly may differentiate between Shareholders in the Fund in that regard. Any such waiver or reduction shall be effected by way of a cash rebate paid by or on behalf of the Investment Manager to the relevant Shareholder's account. The Investment Manager will determine the rebate amount in each case, which will not exceed the Capped Fee, based on the assets invested in the Fund or a Share Class thereof, and accordingly, the investment management fee charged to certain Shareholders may be reduced or increased in accordance with the amount of fees rebated to the relevant Shareholders subject to the applicable Capped Fee.

Performance Fee

(1) Retail Accumulating Share Class

The Investment Manager will be entitled to receive out of the assets of the Fund a performance fee in respect of the Retail Accumulating Share Class (the **Performance Fee**) calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each Class of Shares) that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund and (iii) all Shares of the same Class have the same Net Asset Value per Share.

As of the first Dealing Day following the close of the Initial Offer Period for the relevant Share Class (**First Calculation Period**) and for each subsequent Dealing Day (each Dealing Day being a **Calculation Period**), for each Calculation Period, the Investment Manager shall be entitled to receive out of the assets of the Fund attributable to the Retail Accumulating Share Class a Performance Fee equal to 20% of the percentage increase in the Gross Asset Value per Share (i) from the Initial Issue Price during the first calendar month from the First Calculation Period (the **First Month**); (ii) with effect from the first Calculation Period following the First Month, from the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period, in each case calculated as follows:

(i) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class for each Calculation Period during the First Month is calculated by comparing the Gross Asset Value per Share for the relevant Dealing Day to the Initial Issue Price per Share (**A**). The Investment Manager is only entitled to a Performance Fee in respect of each Calculation Period within the First Month if A is a positive figure for the Calculation Period. Where A is a positive figure for a Calculation Period, to determine the amount of the Performance Fee to be accrued in respect of the Calculation Period, A will be annualised by multiplying A by 12 and diving the amount by the number of Dealing Days in a calendar year (250) and that amount shall be multiplied by the number of Shares in the Class determined as at the relevant Dealing Day and by the Net Asset Value per Share determined as at Valuation Point for the relevant Dealing Day;

(ii) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class for each Calculation Period following the First Month is calculated by comparing the Gross Asset Value per Share for the relevant Dealing Day to the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**B**). The Investment Manager is only entitled to a Performance Fee in respect of a Calculation Period following the First Month if B is a positive figure. Where B is a positive figure for a Calculation Period, to determine the amount of the Performance Fee to be accrued in respect of the Calculation Period, B will be annualised by multiplying B by 12 and diving the amount by the number of Dealing Days in a calendar year (250) and that amount shall be multiplied by the number of Shares in the Class determined as at the relevant Dealing Day and by the Net Asset Value per Share determined as at Valuation Point for the relevant Dealing Day;

(iii) the Performance Fee shall be calculated by the Administrator (subject to the verification by the Custodian);

(iv) the Performance Fee is accrued daily on a pro quota basis from the relevant Class, starting from the First Calculation Period and shall be payable to the Investment Manager monthly in arrears.

Included in the calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of each calculation period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Gross Asset Value per Share is calculated using the following formula suggested by the Association of Italian Fund Management Companies (Assogestioni):

$$Q1(t) = Q1(t-1) \times \frac{[NAV(t) \times N(t)] + OG(t) + CG(t)}{[NAV(t-1) \times N(t)] + OG(t-1)}$$

Where:

Q1(t) is the Fund's Gross Asset Value per Share on the previous Dealing Day;
NAV(t) is the Net Asset Value per Share on the previous Dealing Day;
N(t) is the number of Shares in issue on the previous Dealing Day;
OG(t) is the cumulative amount of the investment management fees from the beginning of the month to the previous Dealing Day;
CG(t) is the amount of the investment management fees paid on the previous Dealing Day.
CG(t) is always equal to zero except in the day in which the investment management fees are effectively paid (the second Business Day of each month).

(2) Institutional Accumulating Share Class

For each Performance Period, the Investment Manager shall be entitled to receive a performance fee (the **Performance Fee**) out of the assets attributable to the Institutional Accumulating Share Class of 10% of the amount by which the Net Asset Value of the Share exceeds the Benchmark (plus VAT, if any), taking subscriptions and redemptions into account and calculated in the following manner:

1. For the first Performance Period in the first calendar year during which the Institutional Accumulating Share Class is launched, the **Benchmark** is the Initial Issue Price per Share. For the first Performance Period in each subsequent calendar year, the **Benchmark** is the Net Asset Value per Share at the last Valuation Point in the immediately preceding calendar year.

2. If the Net Asset Value per Share at the end of a Performance Period exceeds the Benchmark, a performance fee is payable. For each subsequent Performance Period, the Benchmark is the reported, final Net Asset Value per Share at the end of the previous Performance Period for which a performance fee was payable.

3. If the Net Asset Value per Share at the end of a Performance Period is lower than the Benchmark, no performance fee is payable. In this case, the Benchmark for the next Performance Period is the Benchmark for the previous Performance Period being the previous Performance Period for which a performance fee was payable.

4. When a performance fee is payable on Shares, it is calculated as the Net Asset Value per Share less the Benchmark multiplied by the performance fee rate for the Class set out above, multiplied by the number of Shares in issue at the end of the Performance Period. The number of Shares in issue at the end of the Performance Period shall be deemed to include Shares which fall to be redeemed and exclude Shares which fall to be issued as at the end of the Performance Period.

The Performance Fee will be calculated and be taken into account in the calculation of the Net Asset Value per Share as at the Valuation Point in respect of each Dealing Day.

A **Performance Period** means the period from one Valuation Point to the next. The first calculation period shall be the period from the close of the Initial Offer Period of the Class to the first Valuation Point. Fees payable to the Investment Manager shall be calculated and accrued on as at the Valuation Point in respect of each Dealing Day and shall be payable monthly in arrears.

The calculation of the performance fee will be verified by the Custodian.

Where a Performance Fee is payable out of the Fund it shall be calculated on the increase in the Net Asset Value per Share at the end of the relevant Performance Period. Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the Performance period and as a result Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Administration Fee

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.045% of the Net Asset Value of the Fund (plus VAT thereon), if any subject to an annual minimum fee of €20,000. The Administrator is also entitled to a fee of €10,000 for the provision of registrar and transfer agency services to the Fund plus additional fees charged at normal commercial rates where the scope of the services exceeds the thresholds initially agreed. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Custodian Fee

The Custodian shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.02% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum annual fee of €10,000. The Custodian shall also be entitled to be reimbursed for the fees paid by the Custodian to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) sand other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Formation Costs

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund are estimated to amount to €20,000 and are will be amortised over the first five financial years of the Fund. In the event of a merger between this Fund and any other fund whereby this Fund receives the assets and liabilities of a fund as a result of the merger, the merging fund's unamortised formation expenses will also be transferred as part of the merger and amortised over a period which shall be no longer than two years.

12. MISCELLANEOUS

At the date of this Supplement, there are four other Funds of the Company in existence, namely Tendercapital Cash 12 Months, Tendercapital Income Premium, Tendercapital Bond Two Steps and Tendercapital US Turnaround.

Tendercapital Income Premium (the **Fund**)

a sub-fund of

TENDERCAPITAL FUNDS PLC

Supplement to the Prospectus

This Supplement contains specific information in relation to Tendercapital Income Premium (the **Fund), a sub-fund of TENDERCAPITAL FUNDS PLC (**the **Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).**

This Supplement forms part of the Prospectus of the Company dated 10 May 2013 (the **Prospectus) and should be read in the context of and together with the Prospectus.**

The Directors of the Company, whose names appear under the section entitled **Directors of the Company** in the Prospectus, accept responsibility for the information contained in the Prospectus and 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **7 March 2014**

DIRECTORY

1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to generate both income and capital appreciation over a long term horizon.

Investment Policy

The Fund intends to seek to achieve its investment objective by investing in a global and diversified portfolio of debt securities as described below, primarily denominated in Euro. Investments may be made directly or indirectly. Indirect investments made by way of investment in collective investment schemes, including exchange traded funds (**CIS**) will amount to a maximum of 10% of the Fund's NAV. Indirect investments may also be made through investing in financial derivative instruments (**FDI**), such as futures and options and as further described below. No more than 20% of the Fund's Net Asset Value will be invested in debt securities issued by issuers located in countries which the Investment Manager considers to be emerging markets. This limit excludes any exposure to such emerging markets which may be held indirectly in the portfolios of CIS in which the Fund invests.

The Fund may invest in fixed income, debt and debt related securities (such as notes, preferred securities, debentures), which may be issued by corporate and/or sovereign issuers or guaranteed by sovereign governments, supranational entities, their agencies or instrumentalities, may offer fixed or variable interest rates, may be rated or unrated, including but not limited to convertible and non-convertible bonds, money market instruments, municipal, state, local authority and supranational issues, floating rate notes, medium term notes, promissory notes, commercial paper, debentures, bankers acceptances, certificates of deposit, asset and mortgage backed securities, collateralised debt and exchange rate obligations. Convertible bonds may embed a derivative component being on debt or equity securities, a basket or baskets of or indices of debt or equity securities or on interest rates.

The securities in which the Fund invests will typically be listed or traded on one or more Regulated Markets and any investment in such securities which are unlisted will comply with the investment restrictions in the Prospectus. No more than 30% of the Fund's Net Asset Value shall be directly invested in debt securities or bonds which, at the time of their most recent purchase, were not rated investment grade by at least one credit rating agency approved by the Company or which are deemed by the Investment Manager to have an implied rating of investment grade, for instance by reference to other securities or bonds issued by the issuer of the relevant security or bond. The credit rating agencies currently approved for such purposes are Standard and Poors, Moody's, Fitch and DBRS.

The Fund has no limitations on the range of maturities of the debt securities in which it can invest and may hold securities with short, medium or long-term maturities as well as fixed and floating rate securities and coupon or non-coupon bearing securities.

The performance of the Fund's portfolio of investments will be measured against EONIA (Euro Overnight Index Average) (or any other index which replaces it or is considered by the Investment Manager to be the market standard in place of that index, any such change in that index to be notified to Shareholders in the semi-annual and annual accounts). EONIA is an effective overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market, initiated within the euro area by the contributing panel banks.

The exposure of the Fund to currencies other than Euro through direct investment in securities denominated in such other currencies will not exceed 10% of the NAV.

The Fund may also hold or maintain ancillary liquid assets, including but not limited to, time deposits and variable rate demand notes with a maturity of less than one week issued by an entity with at least a minimum credit rating of A2 or equivalent.

The Fund may invest up to 10% of its Net Asset Value, in aggregate, in CIS in accordance with Central Bank requirements and where the exposure provided is considered to be in line with the Fund's investment objective and policy.

Where considered appropriate, the Fund may utilise financial derivative techniques and instruments for investment purposes and/or efficient portfolio management and/or to protect against foreign exchange risks as further set out below, subject always to the conditions and within the limits laid down by the Central Bank. These techniques and instruments include futures, options, swaps, spot and forward currency contracts and contracts for differences, which may be exchange traded or over the counter.

2. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

The Fund may, subject to the conditions and limits of the Central Bank and in accordance with the section entitled **Utilisation of FDI and Efficient Portfolio Management** in the Prospectus, enter into futures contracts on debt securities, debt securities indexes (for example, exchange traded funds (**ETFs**) which seek to replicate a debt security index) and currencies and also use options on futures contracts. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates and (ii) securities prices.

The Fund may, subject to the conditions and limits of the Central Bank, purchase and write call and put options on debt securities, debt securities indexes and currencies. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates and (ii) securities prices.

Spot and forward currency contracts, currency swaps and currency futures may, at the discretion of the Investment Manager, be used to hedge currency exposures of the Fund or of any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

The Fund may also use interest rate swap contracts for hedging purposes to seek to manage its interest rate exposures and/or reduce the effect of interest rate fluctuations on debt securities held. In addition, interest rate swaps may be used for speculative purposes to seek to enhance the Fund's return. An interest rate swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments) and the return to the Fund will be based on the movement of interest rates relative to a fixed rate agreed by the parties to the swap.

Efficient portfolio management transactions relating to the assets of the Fund are transactions with the one of the following aims a) a reduction of risk b) a reduction of cost with no increase or a minimal increase in risk; c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations, the Portfolio Manager will look to ensure that the transaction is economically appropriate.

The Fund may, subject to the conditions and limits of Central Bank, utilise repurchase/reverse repurchase agreements for efficient portfolio management purposes only.

In the event that the Fund leverages itself through the use of derivatives, the expected level of leverage will not exceed an aggregate exposure of 100% of the Net Asset Value of the Fund. It is expected that the use of financial derivative techniques and instruments will not materially increase the Fund's risk level.

The Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI, in accordance with its risk management process and the requirements of the Central Bank.

Any FDI not included in the Risk Management Process (**RMP**) of the Company will not be utilised until such time as a revised RMP including such FDI has been submitted to and cleared by the Central Bank.

3. BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

4. INVESTMENT RESTRICTIONS

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus.

5. PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for investors who have a long term investment horizon and who are prepared to accept moderate variability of return.

6. RISK FACTORS

The risk factors under the section entitled Risk Factors in the Prospectus apply to this Fund.

Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular, the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment in the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.

7. DIVIDEND POLICY

The Directors may determine in their sole discretion to declare dividends and to distribute any income on the Distributing Shares.

Any dividends payable on the Distributing Shares will be declared bi-annually on the last Business Day of the month in which the dividend is declared and paid within four months of the declaration date.

8. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Base Currency

The Base Currency of the Fund is Euro but investments may be denominated in other currencies.

Available Share Classes

The Company may issue Shares in each of the Share Classes set out in the table below.

Share Class	Denominated Currency	Minimum Shareholding*	Minimum Initial Investment Amount*	Minimum Additional Investment Amount*
Retail Distributing Share Class	Euro	N/A	€5,000	N/A

Institutional Distributing Share Class	Euro	N/A	€500,000	N/A

*currency equivalent in the denominated currency of a Share Class and in accordance with the section entitled **Currency of Payment** below.

The Directors (upon written confirmation to the Administrator) reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for any such Shareholders or to refuse an application for any such Shares in their absolute discretion.

Additional classes of Shares may be created in accordance with the requirements of the Central Bank.

Initial Offer Period & Issue Price

The Initial Offer Period for Shares in the Institutional Distributing Share Class will commence at 9am (Irish time) on 10 March 2014 and end at 5pm (Irish time) on 9 September 2014 or such earlier or later time as the Directors may decide and notify the Central Bank. During the Initial Offer Period, Shares in the Institutional Distributing Share Class will be issued at a price of €5.

After the Initial Offer Period, Shares in the Institutional Distributing Share Class will be continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Shares in the Retail Distributing Share Class are continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Currency of Payment

Subscription and redemption monies are payable in the denominated currency of the Share Class in respect of which Shares are being subscribed for or redeemed as set out in the table above.

Subscription Charge

A Subscription Charge of up to 3% of the Issue Price may be charged at the discretion of the Directors for payment to the Investment Manager or Distributor.

Redemption Charge

A Redemption Charge of up to 3% of the Redemption Price may be charged at the discretion of the Directors for payment to the Company.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus and, where relevant to the creation of additional Funds by the Company, an exchange fee of up to 3**%** may be imposed at the discretion of the Directors on all applications to exchange from one Share Class to another Share Class within the Fund or to a Share Class within another Fund of the Company.

Business Day

A day on which banks are open for business in Dublin and London or such other day as the Directors may, with the approval of the Custodian, determine.

Dealing Day

The Dealing Day for the Fund is every Business Day.

Dealing Deadline

The Dealing Deadline is 12 noon (Irish time) one Business Day prior to the relevant Dealing Day.

Valuation Point

The Valuation Point is close of business in the last relevant market on the Business Day immediately preceding the relevant Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Shares is the second Business Day following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares is the third Business Day following the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

9. HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

10. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

11. FEES AND EXPENSES

The following sections on fees should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable monthly in arrears, at an annual rate of up to and not exceeding (i) 1% of the Net Asset Value of the Retail Distributing Share Class; and (ii) 0.65% of the Net Asset Value of the Institutional Distributing Share Class (the **Capped Fee**). The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

Subject to the Capped Fee, the Investment Manager may, with the agreement of the Directors and with prior notification to the Administrator, waive, reduce or increase all or part of the investment management fee charged to certain Shareholders and accordingly may differentiate between Shareholders in the Fund in that regard. Any such waiver or reduction shall be effected by way of a cash rebate paid by or on behalf of the Investment Manager to the relevant Shareholder's account. The Investment Manager will determine the rebate amount in each case, which will not exceed the Capped Fee, based on the assets invested in the Fund or a Share Class thereof, and accordingly, the investment management fee charged to certain Shareholders may be reduced or increased in accordance with the amount of fees rebated to the relevant Shareholders subject to the applicable Capped Fee.

Performance Fee

(1) Retail Distributing Share Class

The Investment Manager will be entitled to receive out of the assets of the Fund a performance fee in respect of the Retail Distributing Share Class (the **Performance Fee**) calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each

Class of Shares) that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund and (iii) all Shares of the same Class have the same Net Asset Value per Share.

As of the first Dealing Day following the close of the Initial Offer Period for the Retail Distributing Share Class (**First Calculation Period**) and for each subsequent Dealing Day (each Dealing Day being a **Calculation Period**), for each Calculation Period, the Investment Manager shall be entitled to receive out of the assets of the Fund attributable to the Retail Distributing Share Class a Performance Fee equal to 20% of the amount by which the Gross Asset Value per Share (1) exceeds the Relevant Index (2) as outlined below and accordingly, the positive difference between:

(1) the percentage increase in the Gross Asset Value per Share of the Retail Distributing Share Class (expressed in the Base Currency) on the relevant Dealing Day for the Calculation Period (i) from the Initial Issue Price during the first calendar month from the First Calculation Period (the **First Month**); (ii) with effect from the first Calculation Period following the First Month, from the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Dealing Day for the Calculation Period; and

(2) the percentage increase in the value of the EONIA Total Return Index + 2% (the **Relevant Index**) (expressed in the Base Currency) on the relevant Dealing Day for the Calculation Period (i) from the value of the Relevant Index (expressed in the Base Currency) on the closing date of the Initial Offer Period during the First Month; (ii) with effect from the first Calculation Period following the First Month, from the value of the Relevant Index on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period,

calculated as follows:

(i) the percentage increase in the Gross Asset Value per Share of the Retail Distributing Share Class for each Calculation Period is computed (i) during the First Month, by comparing the Gross Asset Value per Share on the Dealing Day for the Calculation Period to the Initial Issue Price per Share; (ii) for each Calculation Period following the First Month, by comparing the Gross Asset Value per Share for the relevant Dealing Day to the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**A**);

(ii) the percentage increase in the Relevant Index for each Calculation Period for the Retail Distributing Share Class is computed (i) during the First Month, by comparing the value of the Relevant Index (converted into the Base Currency) on each Dealing Day to the value of the Relevant Index (converted into the Base Currency) on the closing date of the Initial Offer Period; (ii) for each Calculation Period following the First Month, by comparing the value of the Relevant Index (converted into the Base Currency) on the Dealing Day for the Calculation Period to the value of the Relevant Index (converted into the Base Currency) on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**B**);

(iii) A is then compared to B and the Investment Manager is only entitled to a Performance Fee if A is a positive figure and if A is greater than B. Furthermore, where a Performance Fee is payable and B is a negative figure, B is deemed to be equal to zero;

(iv) Where A is a positive figure and is greater than B for a Calculation Period, as A and B will reflect the performance of the Gross Asset Value and the Relevant Index respectively over the course of the preceding calendar month, in order to ascertain the amount of the Performance Fee to be accrued on the Dealing Day or the Calculation Period, the difference between A and B will be annualised by multiplying the amount of the difference by 12 and diving the amount by the number of Dealing Days in a calendar year (250) and that amount shall be multiplied by the number of Shares in the Class determined as at the relevant Dealing Day and by the Net Asset Value per Share determined as at Valuation Point for the relevant Dealing Day;

(v) the Performance Fee shall be calculated by the Administrator (subject to the verification by the

Custodian);

(vi) the Performance Fee determined in this manner is accrued daily on a pro quota basis from the Class, starting from the First Calculation Period and shall be payable to the Investment Manager monthly in arrears;

Included in the calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

In calculating the Performance Fee, under-performance in any previous Calculation Period against the Relevant Index is not carried forward and, therefore, does not have to be made up before a Performance Fee can be paid.

Gross Asset Value per Share is calculated using the following formula suggested by the Association of Italian Fund Management Companies (Assogestioni):

$$Q1(t) = Q1(t-1) \times \frac{([NAV(t) \times N(t)] + OG(t) + CG(t))}{([NAV(t-1) \times N(t)] + OG(t-1))}$$

Where:

Q1(t)	is the Fund's Gross Asset Value per Share on the previous Dealing Day;
NAV(t)	is the Net Asset Value per Share on the previous Dealing Day;
N(t)	is the number of Shares in issue on the previous Dealing Day;
OG(t)	is the cumulative amount of the investment management fees from the beginning of the month to the previous Dealing Day;
CG(t)	is the amount of the investment management fees paid on the previous Dealing Day.
CG(t)	is always equal to zero except in the day in which the investment management fees are effectively paid (the second Business Day of each month).

2) Institutional Distributing Share Class

For each Performance Period, the Investment Manager shall be entitled to receive a performance fee (the **Performance Fee**) out of the assets attributable to the Institutional Distributing Share Class of 10% of the amount by which the Net Asset Value of the Share exceeds the Benchmark (plus VAT, if any), taking subscriptions and redemptions into account and calculated in the following manner:

1. For the first Performance Period in the first calendar year during which the Institutional Distributing Share Class is launched, the **Benchmark** is the Initial Issue Price per Share. For the first Performance Period in each subsequent calendar year, the **Benchmark** is the Net Asset Value per Share at the last Valuation Point in the immediately preceding calendar year.

2. If the Net Asset Value per Share at the end of a Performance Period exceeds the Benchmark, a performance fee is payable. For each subsequent Performance Period, the Benchmark is the reported, final Net Asset Value per Share at the end of the previous Performance Period for which a performance fee was payable.

3. If the Net Asset Value per Share at the end of a Performance Period is lower than the Benchmark, no performance fee is payable. In this case, the Benchmark for the next Performance Period is the Benchmark for the previous Performance Period being the previous Performance Period for which a performance fee was payable.

4. When a performance fee is payable on Shares, it is calculated as the Net Asset Value per Share less the Benchmark multiplied by the performance fee rate for the Class set out above, multiplied by the number of Shares in issue at the end of the Performance Period. The number of Shares in issue at the end of the Performance Period shall be deemed to include Shares which fall to be redeemed and exclude Shares which fall to be issued as at the end of the Performance Period.

The Performance Fee will be calculated and be taken into account in the calculation of the Net Asset Value per Share as at the Valuation Point in respect of each Dealing Day.

A **Performance Period** means the period from one Valuation Point to the next. The first calculation period shall be the period from the close of the Initial Offer Period of the Class to the first Valuation Point. Fees payable to the Investment Manager shall be calculated and accrued on as at the Valuation Point in respect of each Dealing Day and shall be payable monthly in arrears.

The calculation of the performance fee will be verified by the Custodian.

Where a Performance Fee is payable out of the Fund it shall be calculated on the increase in the Net Asset Value per Share at the end of the relevant Performance Period. Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the Performance period and as a result Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Administration Fee

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.045% of the Net Asset Value of the Fund (plus VAT thereon), if any subject to an annual minimum fee of €20,000. The Administrator is also entitled to a fee of €10,000 for the provision of registrar and transfer agency services to the Fund plus additional fees charged at normal commercial rates where the scope of the services exceeds the thresholds initially agreed. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Custodian Fee

The Custodian shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.02% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum annual fee of €10,000. The Custodian shall also be entitled to be reimbursed for the fees paid by the Custodian to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) sand other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Formation Costs

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund are estimated to amount to €20,000 and are will be amortised over the first five financial years of the Fund. In the event of a merger between this Fund and any other fund whereby this Fund receives the assets and liabilities of a fund as a result of the merger, the merging fund's unamortised formation expenses will also be transferred as part of the merger and amortised over a period which shall be no longer than two years.

12. MISCELLANEOUS

At the date of this Supplement, there are four other Funds of the Company in existence, namely Tendercapital Bond Two Steps, Tendercapital Cash 12 Months, and Tendercapital Secular Euro and Tendercapital US Turnaround.

Tendercapital Cash 12 Months (the **Fund**)

a sub-fund of

TENDERCAPITAL FUNDS PLC

Supplement to the Prospectus

This Supplement contains specific information in relation to Tendercapital Cash 12 Months (the **Fund), a sub-fund of TENDERCAPITAL FUNDS PLC (**the **Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).**

This Supplement forms part of the Prospectus of the Company dated 10 May 2013 (the **Prospectus) and should be read in the context of and together with the Prospectus.**

The Directors of the Company, whose names appear under the section entitled **Directors of the Company** in the Prospectus, accept responsibility for the information contained in the Prospectus and 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **7 March 2014**

DIRECTORY

1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to generate income while preserving the value of capital.

Investment Policy

The Fund intends to seek to achieve its investment objective by investing, inter alia, directly in:

- Short-term (with a maturity of less than 12 months) Euro fixed income and variable rate securities (such as treasury bills, commercial paper and certificates of deposit) issued or guaranteed by EU or non/EU corporate entities and/or EU sovereign and supranational entities;

- Short-term (with a maturity of less than 12 months) fixed and variable rate bonds, convertible bonds, commercial paper, bankers acceptances, certificates of deposit, medium term notes, asset and mortgage backed securities, collateralised debt, exchange rate obligations and other securitisation instruments and securities or instruments of a similar nature issued or guaranteed by any OECD government and/or by corporate or other issuers (including special purpose vehicles); and

- Short term Euro deposits

In seeking to achieve its objective, the Fund may also invest in in collective investment schemes (**CIS**), including exchange traded funds or financial derivative instruments (**FDI)** as further described below. Investment in CIS shall be in accordance with Central Bank requirements, the Fund's investment objective and policies and shall be limited to 10% of the Net Asset Value of the Fund.

The securities in which the Fund invests will typically be listed or traded on one or more Regulated Markets and any investment in such securities which are unlisted will comply with the investment restrictions in the Prospectus. No more than 10% of the Fund's Net Asset Value shall be directly invested in debt securities or bonds which, at the time of their most recent purchase, were not rated investment grade by at least one credit rating agency approved by the Company or which are deemed by the Investment Manager to have an implied rating of investment grade, for instance by reference to other securities or bonds issued by the issuer of the relevant security or bond. The credit rating agencies currently approved for such purposes are Standard and Poors, Moody's, Fitch and DBRS. This limit excludes any sub investment grade debt and debt related securities or bonds which may be held indirectly in the portfolios of CIS. No more than 20% of the Fund's Net Asset Value will be invested in debt securities issued by issuers located in countries which the Investment Manager considers to be emerging markets. This limit excludes any exposure to such emerging markets which may be held indirectly in the portfolios of CIS in which the Fund invests.

The performance of the Fund's investments will be measured against EONIA (Euro Overnight Index Average) (or any such other index which replaces it or is considered by the Investment Manager to be the market standard in place of it and any such change in that index will be notified to Shareholders in the semi-annual and annual accounts). EONIA is an effective overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market, initiated within the euro area by the contributing panel banks.

It is intended that the weighted average maturity (**WAM**) of the Fund's investments will not exceed 6 months and that the weighted average life (**WAL**) until the legal redemption date of the Fund's investments will not exceed 12 months. While the Fund is not a money market fund, the WAM and the WAL of the Fund's investments will be calculated in accordance with the UCITS Notices applicable to money market funds.

Where considered appropriate, the Fund may utilise financial derivative techniques and instruments for investment purposes and/or efficient portfolio management and/or to protect against foreign exchange risks as further set out below, subject always to the conditions and within the limits laid down by the Central Bank. These techniques and instruments may include futures, options, swaps, spot and forward currency contracts, and contracts for difference which may be exchange traded or over the counter.

2. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

The Fund may use FDI for investment and efficient portfolio management purposes in accordance with the section entitled **Utilisation of FDI and Efficient Portfolio Management** in the Prospectus and as further described below.

The Fund may, subject to the conditions and limits of the Central Bank, enter into futures contracts on debt securities, debt securities indexes (for example, exchange traded funds (**ETFs**) which seek to replicate a debt security index) and currencies and also use options on futures contracts. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates and (ii) securities prices.

The Fund may, subject to the conditions and limits of the Central Bank, purchase and write call and put options on debt securities, debt securities indexes and currencies. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates and (ii) securities prices.

Spot and forward currency contracts, currency swaps and currency futures may, at the discretion of the Investment Manager, be used for investment purposes and/or to hedge currency exposures of the Fund or any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

The Fund may also use interest rate swap contracts for hedging purposes to seek to manage its interest rate exposures and/or reduce the effect of interest rate fluctuations on debt securities held. In addition, interest rate swaps may be used for speculative purposes to seek to enhance the Fund's return. An interest rate swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments) and the return to the Fund will be based on the movement of interest rates relative to a fixed rate agreed by the parties to the swap.

Efficient portfolio management transactions relating to the assets of the Fund are transactions with the one of the following aims a) a reduction of risk b) a reduction of cost with no increase or a minimal increase in risk; c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations, the Portfolio Manager will look to ensure that the transaction is economically appropriate.

The Fund may, subject to the conditions and limits of the Central Bank, utilise repurchase/ reverse repurchase agreements for efficient portfolio management purposes only.

In the event that the Fund leverages itself through the use of derivatives, the expected level of leverage will not exceed an aggregate exposure of 100% of the Net Asset Value of the Fund. It is expected that the use of financial derivative techniques and instruments will not materially increase the Fund's risk level.

The Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI, in accordance with its risk management process and the requirements of the Central Bank.

Any FDI not included in the Risk Management Process (**RMP**) of the Company will not be utilised until such time as a revised RMP including such FDI has been submitted to and cleared by the Central Bank.

3. BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

4. INVESTMENT RESTRICTIONS

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus.

5. PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for investors who have a short term investment horizon and who are only prepared to accept a low variability of return. Investors should expect to hold their investment in the Fund for a minimum of one year.

6. RISK FACTORS

The risk factors under the section entitled Risk Factors in the Prospectus apply to this Fund. In addition the following risk factors are also relevant:

The Fund may invest substantially in deposits with credit institutions. Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular, the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment in the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.

7. DIVIDEND POLICY

No declarations or distributions shall be made in respect of the Accumulating Shares. The net income earned per Accumulating Share will be accumulated and reinvested on behalf of Shareholders of Accumulating Shares.

8. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Base Currency

The Base Currency of the Fund is Euro but investments may be denominated in other currencies.

Available Share Classes

The Company may issue Shares in each of the Share Classes set out in the table below.

Share Class	Denominated Currency	Minimum Shareholding*	Minimum Initial Investment Amount*	Minimum Additional Investment Amount*
Retail Accumulating Share Class	Euro	N/A	€5,000	N/A
Institutional Accumulating Share Class	Euro	N/A	€500,000	N/A

*currency equivalent in the denominated currency of a Share Class and in accordance with the section entitled **Currency of Payment** below.

The Directors (upon written confirmation to the Administrator) reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for any such Shareholders or to refuse an application for any such Shares in their absolute discretion.

Additional Classes of Shares may be created in accordance with the requirements of the Central Bank.

Initial Offer Period & Issue Price

The Initial Offer Period for Shares in the Institutional Accumulating Share Class will commence at 9am (Irish time) on 10 March 2014 and end at 5pm (Irish time) on 9 September 2014 or such earlier or later time as the Directors may decide and notify the Central Bank. During the Initial Offer Period, Shares in the Institutional Accumulating Share Class will be issued at a price of €5.

After the Initial Offer Period, Shares in the Institutional Accumulating Share Class will be continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Shares in the Retail Accumulating Share Class are continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Currency of Payment

Subscription and redemption monies are payable in the denominated currency of the Share Class in respect of which Shares are being subscribed for or redeemed as set out in the table above.

Subscription Charge

A Subscription Charge of up to 3% of the Issue Price may be charged at the discretion of the Directors for payment to the Investment Manager or Distributor.

Redemption Charge

A Redemption Charge of up to 3% of the Redemption Price may be charged at the discretion of the Directors for payment to the Company.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus and, where relevant to the creation of additional Funds by the Company, an exchange fee of up to 3**%** may be imposed at the discretion of the Directors on all applications to exchange from one Share Class to another Share Class within the Fund or to a Share Class within another Fund of the Company.

Business Day

A day on which banks are open for business in Dublin and London or such other day as the Directors may, with the approval of the Custodian, determine.

Dealing Day

The Dealing Day for the Fund is every Business Day.

Dealing Deadline

The Dealing Deadline is 12 noon (Irish time) one Business Day prior to the relevant Dealing Day.

Valuation Point

The Valuation Point is close of business in the last relevant market on the Business Day immediately preceding the relevant Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Shares is the second Business Day following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares is the third Business Day following the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

9. HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

10. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

11. FEES AND EXPENSES

The following sections on fees should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable monthly in arrears, at an annual rate of up to and not exceeding (i) 0.35% of the Net Asset Value of the Retail Accumulating Share Class; and (ii) 0.20% of the Net Asset Value of the Institutional Accumulating Share Class (the **Capped Fee**). The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

Subject to the Capped Fee, the Investment Manager may, with the agreement of the Directors and with prior notification to the Administrator, waive, reduce or increase all or part of the investment management fee charged to certain Shareholders and accordingly may differentiate between Shareholders in the Fund in that regard. Any such waiver or reduction shall be effected by way of a cash rebate paid by or on behalf of the Investment Manager to the relevant Shareholder's account. The

Investment Manager will determine the rebate amount in each case, which will not exceed the Capped Fee, based on the assets invested in the Fund or a Share Class thereof, and accordingly, the investment management fee charged to certain Shareholders may be reduced or increased in accordance with the amount of fees rebated to the relevant Shareholders subject to the applicable Capped Fee.

Performance Fee

(1) Retail Accumulating Share Class

The Investment Manager will be entitled to receive out of the assets of the Fund a performance fee in respect of the Retail Accumulating Share Class (the **Performance Fee**) calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each Class of Shares) that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund and (iii) all Shares of the same Class have the same Net Asset Value per Share.

As of the first Dealing Day following the close of the Initial Offer Period for the relevant Share Class (**First Calculation Period**) and for each subsequent Dealing Day (each Dealing Day being a **Calculation Period**), for each Calculation Period, the Investment Manager shall be entitled to receive out of the assets of the Fund attributable to the Retail Accumulating Share Class a Performance Fee equal to 20% of the amount by which the Gross Asset Value per Share (1) exceeds the Relevant Index (2) as outlined below and accordingly, the positive difference between:

(1) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class (expressed in the Base Currency) on the relevant Dealing Day for the Calculation Period (i) from the Initial Issue Price during the first calendar month from the First Calculation Period (the **First Month**); (ii) with effect from the first Calculation Period following the First Month, from the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Dealing Day for the Calculation Period; and

(2) the percentage increase in the value of the EONIA Total Return Index + 2% (the **Relevant Index**) (expressed in the Base Currency) on the relevant Dealing Day for the Calculation Period (i) from the value of the Relevant Index (expressed in the Base Currency) on the closing date of the Initial Offer Period during the First Month; (ii) with effect from the first Calculation Period following the First Month, from the value of the Relevant Index on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period,

calculated as follows:

(i) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class for each Calculation Period is computed (i) during the First Month, by comparing the Gross Asset Value per Share on the Dealing Day for the Calculation Period to the Initial Issue Price per Share; (ii) for each Calculation Period following the First Month, by comparing the Gross Asset Value per Share for the relevant Dealing Day to the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**A**);

(ii) the percentage increase in the Relevant Index for each Calculation Period for the Retail Accumulating Share Class is computed (i) during the First Month, by comparing the value of the Relevant Index (converted into the Base Currency) on each Dealing Day to the value of the Relevant Index (converted into the Base Currency) on the closing date of the Initial Offer Period; (ii) for each Calculation Period following the First Month, by comparing the value of the Relevant Index (converted into the Base Currency) on the Dealing Day for the Calculation Period to the value of the Relevant Index (converted into the Base Currency) on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**B**);

(iii) A is then compared to B and the Investment Manager is only entitled to a Performance Fee if A is a positive figure and if A is greater than B. Furthermore, where a Performance Fee is payable and B is a negative figure, B is deemed to be equal to zero;

(iv) Where A is a positive figure and is greater than B for a Calculation Period, as A and B will reflect the performance of the Gross Asset Value and the Relevant Index respectively over the course of the preceding calendar month, in order to ascertain the amount of the Performance Fee to be accrued on the Dealing Day or the Calculation Period, the difference between A and B will be annualised by multiplying the amount of the difference by 12 and diving the amount by the number of Dealing Days in a calendar year (250) and that amount shall be multiplied by the number of Shares in the Class determined as at the relevant Dealing Day and by the Net Asset Value per Share determined as at Valuation Point for the relevant Dealing Day;

(v) the Performance Fee shall be calculated by the Administrator (subject to the verification by the Custodian);

(vi) the Performance Fee determined in this manner is accrued daily on a pro quota basis from the Class, starting from the First Calculation Period and shall be payable to the Investment Manager monthly in arrears;

Included in the calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

In calculating the Performance Fee, under-performance in any previous Calculation Period against the Relevant Index is not carried forward and, therefore, does not have to be made up before a Performance Fee can be paid.

Gross Asset Value per Share is calculated using the following formula suggested by the Association of Italian Fund Management Companies (Assogestioni):

$$Q1(t) = Q1(t\text{-}1) \times \frac{([NAV(t) \times N(t)] + OG(t) + CG(t))}{([NAV(t\text{-}1) \times N(t)] + OG(t\text{-}1))}$$

Where:

Q1(t)	is the Fund's Gross Asset Value per Share on the previous Dealing Day;
NAV(t)	is the Net Asset Value per Share on the previous Dealing Day;
N(t)	is the number of Shares in issue on the previous Dealing Day;
OG(t)	is the cumulative amount of the investment management fees from the beginning of the month to the previous Dealing Day;
CG(t)	is the amount of the investment management fees paid on the previous Dealing Day.
CG(t)	is always equal to zero except in the day in which the investment management fees are effectively paid (the second Business Day of each month).

(2) Institutional Accumulating Share Class

For each Performance Period, the Investment Manager shall be entitled to receive a performance fee (the **Performance Fee**) out of the assets attributable to the Institutional Accumulating Share Class of 10% of the amount by which the Net Asset Value of the Share exceeds the Benchmark (plus VAT, if any), taking subscriptions and redemptions into account and calculated in the following manner:

1. For the first Performance Period in the first calendar year during which the Institutional Accumulating Share Class is launched, the **Benchmark** is the Initial Issue Price per Share. For the first Performance Period in each subsequent calendar year, the **Benchmark** is the Net Asset Value per Share at the last Valuation Point in the immediately preceding calendar year.

2. If the Net Asset Value per Share at the end of a Performance Period exceeds the Benchmark, a performance fee is payable. For each subsequent Performance Period, the Benchmark is the reported, final Net Asset Value per Share at the end of the previous Performance Period for which a performance fee was payable.

3. If the Net Asset Value per Share at the end of a Performance Period is lower than the Benchmark, no performance fee is payable. In this case, the Benchmark for the next Performance Period is the Benchmark for the previous Performance Period being the previous Performance Period for which a performance fee was payable.

4. When a performance fee is payable on Shares, it is calculated as the Net Asset Value per Share less the Benchmark multiplied by the performance fee rate for the Class set out above, multiplied by the number of Shares in issue at the end of the Performance Period. The number of Shares in issue at the end of the Performance Period shall be deemed to include Shares which fall to be redeemed and exclude Shares which fall to be issued as at the end of the Performance Period.

The Performance Fee will be calculated and be taken into account in the calculation of the Net Asset Value per Share as at the Valuation Point in respect of each Dealing Day.

A **Performance Period** means the period from one Valuation Point to the next. The first calculation period shall be the period from the close of the Initial Offer Period of the Class to the first Valuation Point. Fees payable to the Investment Manager shall be calculated and accrued on as at the Valuation Point in respect of each Dealing Day and shall be payable monthly in arrears.

The calculation of the performance fee will be verified by the Custodian.

Where a Performance Fee is payable out of the Fund it shall be calculated on the increase in the Net Asset Value per Share at the end of the relevant Performance Period. Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the Performance period and as a result Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Administration Fee

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.045% of the Net Asset Value of the Fund (plus VAT thereon), if any subject to an annual minimum fee of €20,000. The Administrator is also entitled to a fee of €10,000 for the provision of registrar and transfer agency services to the Fund plus additional fees charged at normal commercial rates where the scope of the services exceeds the thresholds initially agreed. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Custodian Fee

The Custodian shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.02% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum annual fee of €10,000. The Custodian shall also be entitled to be reimbursed for the fees paid by the Custodian to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) sand other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Formation Costs

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund are estimated to amount to €20,000 and are will be amortised over the first five financial years of the Fund. In the event of a merger between this Fund and any other fund whereby this Fund receives the assets and liabilities of a fund as a result of the merger, the merging fund’s unamortised formation expenses will also be transferred as part of the merger and amortised over a period which shall be no longer than two years.

12. MISCELLANEOUS

At the date of this Supplement, there are four other Funds of the Company in existence, namely Tendercapital Bond Two Steps, Tendercapital Income Premium and Tendercapital Secular Euro and Tendercapital US Turnaround.

Tendercapital Bond Two Steps (the **Fund**)

a sub-fund of

TENDERCAPITAL FUNDS PLC

Supplement to the Prospectus

This Supplement contains specific information in relation to Tendercapital Bond Two Steps (the **Fund) a sub-fund of TENDERCAPITAL FUNDS PLC (**the **Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).**

This Supplement forms part of the Prospectus of the Company dated 10 May 2013 (the **Prospectus) and should be read in the context of and together with the Prospectus.**

The Directors of the Company, whose names appear under the section entitled **Directors of the Company** in the Prospectus, accept responsibility for the information contained in the Prospectus and 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 7 March 2014

DIRECTORY

1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to achieve a positive return over the medium term.

Investment Policy

The Fund intends to seek to achieve its investment objective primarily through investing in a diversified portfolio of debt securities primarily denominated in Euro and mainly listed or traded on one or more Regulated Markets, but with some limited capacity to take equity exposures as further outlined below.

The performance of the Fund's investments will be benchmarked against EONIA (**Euro Overnight Index Average**) (or any such other index which replaces it or is considered by the Investment Manager to be the market standard in place of it and any such change in that index will be notified to Shareholders in the semi-annual and annual accounts). EONIA is an effective overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market, initiated within the euro area by the contributing panel banks.

The Fund will invest typically in (i) fixed income and variable rate debt securities including senior notes, subordinated debt and structured notes; and (ii) fixed and variable rate convertible and non-convertible bonds, bonds with warrants, negotiable credit securities (traded on the French markets for titres de creances negotiables, the over-the-counter markets in negotiable debt instruments), commercial paper, bankers acceptances, certificates of deposit, medium term notes, asset and mortgage backed securities, collateralised debt and other securitisation instruments and securities or instruments of a similar nature issued or guaranteed by any OECD government and/or by corporate or other issuers (including special purpose vehicles). Structured notes in which the Fund may invest include floating rate notes, where the coupon payment can be increased upon certain occurrences ("step up floaters") and convertible bonds which may embed a derivative component being on debt or equity securities, a basket or baskets of or indices of debt or equity securities or on interest rates.

The Fund may invest in aggregate up to 10% of its Net Asset Value directly or indirectly in a diversified portfolio of global equity securities across a wide range of industries. The primary means of obtaining equity exposure will be through convertible bonds and warrants.

The securities in which the Fund invests will typically be listed or traded on one or more Regulated Markets and any investment in such securities which are unlisted will comply with the investment restrictions in the Prospectus, and therefore will be limited to a maximum 10% of the Fund's Net Asset Value.

No more than 30% of the Fund's Net Asset Value shall be directly invested in debt securities or bonds which, at the time of their most recent purchase, were not rated investment grade by at least one credit rating agency approved by the Company or which are deemed by the Investment Manager to have an implied rating of investment grade, for instance by reference to other securities or bonds issued by the issuer of the relevant security or bond. The credit rating agencies currently approved for such purposes are Standard and Poors, Moody's, Fitch and DBRS.

The Fund may also hold or maintain ancillary liquid assets, including but not limited to, time deposits and variable rate demand notes with a maturity of less than one week issued by an entity with at least a minimum credit rating of A2/P2 or equivalent.

The Fund may invest up to 10% of its Net Asset Value, in aggregate, in collective investment schemes (**CIS**), including exchange traded funds, in accordance with Central Bank requirements where the exposure provided is in line with the Fund's investment objective.

In selecting suitable investment opportunities for the Fund, the Investment Manager intends to use a "two step" investment process; the first step involving a "top down" analysis focusing on the broader market conditions such as interest rates, macro-economic outlook, inflationary expectations, fiscal and external account balances and geo-political issues and the second step involving a "bottom up" analysis focusing on specific investment opportunities and the attributes of specific issuers, such as for example in terms of management, competitiveness, balance sheet multiples, and financial solidity (current and prospective).

The Fund may also, subject to conditions and limits laid down by the Central Bank, utilise repurchase /reverse repurchase agreements for efficient portfolio management purposes only.

Where considered appropriate, the Fund may utilise financial derivative instruments and techniques for efficient portfolio management, investment purposes and/or for hedging as further set out below, subject always to the conditions and within the limits laid down by the Central Bank. These techniques and instruments include, inter alia, futures, options, swaps, spot and forward currency contracts, and contracts for difference which may be exchange traded or over the counter. The Fund may leverage itself through the use of derivatives, provided however that such leverage will not exceed an aggregate exposure of 100% of the Fund's NAV.

2. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

In the context of this Fund, efficient portfolio management transactions are transactions with the one of the following aims: (a) a reduction of risk, (b) a reduction of cost with no increase or a minimal increase in risk, and/or (c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate.

The financial derivative instruments and techniques which will be used for efficient portfolio management and/or hedging are futures, options, swaps, spot and forward currency contracts, contracts for difference and repurchase/reverse repurchase agreements which may be exchange traded or over-the-counter in accordance with the limitations and requirements of the Central Bank.

The Fund may buy and sell futures contracts on debt or equity securities, on debt or equity securities indices, on currencies and on interest rates and may also use options on futures contracts (e.g. on interest rates or on bond futures) to shorten or lengthen durations. The purchase of such contracts may provide a cost effective and efficient mechanism for taking a position in a bond, an equity, a bond market, an equity market or an index. The sale of such contracts may provide a means to hedge the Fund against a decline in value or change of rate of the underlying debt or equity security or securities index (for example DJTOXX50 index, DJSTOXX600 index, S&P100, exchange traded funds (**ETFs**) which seek to replicate a debt security index).

The Fund may purchase call and put options on debt or equity securities, on debt or equity securities indices and on currencies to gain exposure to a specific bond or equity or bond or equity market or index or to hedge against changes in exchange rates or in debt or equity prices.

Spot and forward currency contracts, currency swaps and currency futures may, at the discretion of the Investment Manager, be used to hedge currency exposures of the Fund or of any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

The Fund may also use interest rate swap contracts for hedging purposes to seek to manage its interest rate exposures and/or reduce the effect of interest rate fluctuations on debt securities held. In addition, interest rate swaps may be used for speculative purposes to seek to enhance the Fund's return. An interest rate swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments) and the return to the Fund will be based on the movement of interest rates relative to a fixed rate agreed by the parties to the swap.

The Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI, in accordance with its risk management process and the requirements of the Central Bank.

Any FDI not included in the Risk Management Process (**RMP**) of the Company will not be utilised until such time as a revised RMP including such FDI has been submitted to and cleared by the Central Bank.

3. BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

4. INVESTMENT RESTRICTIONS

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus.

5. PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for investors who have a medium term investment horizon, whose investment objectives are geared towards the preservation of the value of their savings and who want an investment strategy involving a medium level of volatility and risk in the management of their savings.

6. RISK FACTORS

The risk factors under the section entitled Risk Factors in the Prospectus apply to this Fund.

Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular, the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment in the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.

7. DIVIDEND POLICY

No declarations or distributions shall be made in respect of the Accumulating Shares. The net income earned per Accumulating Share will be accumulated and reinvested on behalf of Shareholders of Accumulating Shares.

8. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Base Currency

The Base Currency of the Fund is Euro but investments may be denominated in other currencies.

Available Share Classes

The Company may issue Shares in each of the Share Classes set out in the table below.

Share Class	Denominated Currency*	Minimum Shareholding*	Minimum Initial Investment Amount*	Minimum Additional Investment Amount*
Retail Accumulating Share Class	Euro	N/A	€5,000	N/A
Institutional Accumulating Share Class	Euro	N/A	€500,000	N/A

***currency equivalent in the denominated currency of a Share Class and in accordance with the section entitled **Currency of Payment** below.

The Directors (upon written confirmation to the Administrator) reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for any such Shareholders or to refuse an application for any such Shares in their absolute discretion.

Additional Classes of Shares may be created in accordance with the requirements of the Central Bank.

Initial Offer Period & Issue Price

The Initial Offer Period for Shares in the Institutional Accumulating Share Class will commence at 9am (Irish time) on 10 March 2014 and end at 5pm (Irish time) on 9 September 2014 or such earlier or later time as the Directors may decide and notify the Central Bank. During the Initial Offer Period, Shares in the Institutional Accumulating Share Class will be issued at a price of €5.

After the Initial Offer Period, Shares in the Institutional Accumulating Share Class will be continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Shares in the Retail Accumulating Share Class are continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Currency of Payment

Subscription and redemption monies are payable in the denominated currency of the Share Class in respect of which Shares are being subscribed for or redeemed as set out in the table above.

Subscription Charge

A Subscription Charge of up to 3% of the Issue Price may be charged at the discretion of the Directors for payment to the Investment Manager or Distributor.

Redemption Charge

A Redemption Charge of up to 3% of the Redemption Price may be charged at the discretion of the Directors for payment to the Company.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus and, where relevant to the creation of additional Funds by the Company, an exchange fee of up to 3**%** may be imposed at the discretion of the Directors on all applications to exchange from one Share Class to another Share Class within the Fund or to a Share Class within another Fund of the Company.

Business Day

A day on which banks are open for business in Dublin and London or such other day as the Directors may, with the approval of the Custodian, determine.

Dealing Day

The Dealing Day for the Fund is every Business Day.

Dealing Deadline

The Dealing Deadline is 12 noon (Irish time) one Business Day prior to the relevant Dealing Day.

Valuation Point

The Valuation Point is close of business in the last relevant market on the Business Day immediately preceding the relevant Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Shares is the second Business Day following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares is the third Business Day following the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

9. HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

10. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

11. FEES AND EXPENSES

The following sections on fees should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable monthly in arrears, at an annual rate of up to and not exceeding (i) 1% of the Net Asset Value of the Retail Accumulating Share Class; and (ii) 0.65% of the Net Asset Value of the Institutional Accumulating Share Class (the **Capped Fee**). The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

Subject to the Capped Fee, the Investment Manager may, with the agreement of the Directors and with prior notification to the Administrator, waive, reduce or increase all or part of the investment management fee charged to certain Shareholders and accordingly may differentiate between Shareholders in the Fund in that regard. Any such waiver or reduction shall be effected by way of a cash rebate paid by or on behalf of the Investment Manager to the relevant Shareholder's account. The Investment Manager will determine the rebate amount in each case, which will not exceed the Capped Fee, based on the assets invested in the Fund or a Share Class thereof, and accordingly, the investment management fee charged to certain Shareholders may be reduced or increased in accordance with the amount of fees rebated to the relevant Shareholders subject to the applicable

Capped Fee.

Performance Fee

(1) Retail Accumulating Share Class

The Investment Manager will be entitled to receive out of the assets of the Fund a performance fee in respect of the Retail Accumulating Share Class (the **Performance Fee**) calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each Class of Shares) that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund and (iii) all Shares of the same Class have the same Net Asset Value per Share.

As of the first Dealing Day following the close of the Initial Offer Period for the Retail Accumulating Share Class (**First Calculation Period**) and for each subsequent Dealing Day (each Dealing Day being a **Calculation Period**), for each Calculation Period, the Investment Manager shall be entitled to receive out of the assets of the Fund attributable to the relevant Share Class a Performance Fee equal to 20% of the amount by which the Gross Asset Value per Share (1) exceeds the Relevant Index (2) as outlined below and accordingly, the positive difference between:

(1) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class (expressed in the Base Currency) on the relevant Dealing Day for the Calculation Period (i) from the Initial Issue Price during the first calendar month from the First Calculation Period (the **First Month**); (ii) with effect from the first Calculation Period following the First Month, from the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Dealing Day for the Calculation Period; and

(2) the percentage increase in the value of the EONIA Total Return Index + 2% (the **Relevant Index**) (expressed in the Base Currency) on the relevant Dealing Day for the Calculation Period (i) from the value of the Relevant Index (expressed in the Base Currency) on the closing date of the Initial Offer Period during the First Month; (ii) with effect from the first Calculation Period following the First Month, from the value of the Relevant Index on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period,

calculated as follows:

(i) the percentage increase in the Gross Asset Value per Share of the Retail Accumulating Share Class for each Calculation Period is computed (i) during the First Month, by comparing the Gross Asset Value per Share on the Dealing Day for the Calculation Period to the Initial Issue Price per Share; (ii) for each Calculation Period following the First Month, by comparing the Gross Asset Value per Share for the relevant Dealing Day to the Gross Asset Value per Share on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**A**);

(ii) the percentage increase in the Relevant Index for each Calculation Period for the Retail Accumulating Share Class is computed (i) during the First Month, by comparing the value of the Relevant Index (converted into the Base Currency) on each Dealing Day to the value of the Relevant Index (converted into the Base Currency) on the closing date of the Initial Offer Period; (ii) for each Calculation Period following the First Month, by comparing the value of the Relevant Index (converted into the Base Currency) on the Dealing Day for the Calculation Period to the value of the Relevant Index (converted into the Base Currency) on the corresponding Dealing Day which is one calendar month immediately preceding the relevant Calculation Period (**B**);

(iii) A is then compared to B and the Investment Manager is only entitled to a Performance Fee if A is a positive figure and if A is greater than B. Furthermore, where a Performance Fee is payable and B is a negative figure, B is deemed to be equal to zero;

(iv) Where A is a positive figure and is greater than B for a Calculation Period, as A and B will reflect the performance of the Gross Asset Value and the Relevant Index respectively over the course of the preceding calendar month, in order to ascertain the amount of the Performance Fee to be accrued on the Dealing Day or the Calculation Period, the difference between A and B will be annualised by multiplying the amount of the difference by 12 and diving the amount by the number of Dealing Days in a calendar year (250) and that amount shall be multiplied by the number of Shares in the Class determined as at the relevant Dealing Day and by the Net Asset Value per Share determined as at Valuation Point for the relevant Dealing Day;

(v) the Performance Fee shall be calculated by the Administrator (subject to the verification by the Custodian);

(vi) the Performance Fee determined in this manner is accrued daily on a pro quota basis from the Class, starting from the First Calculation Period and shall be payable to the Investment Manager monthly in arrears;

Included in the calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of each Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

In calculating the Performance Fee, under-performance in any previous Calculation Period against the Relevant Index is not carried forward and, therefore, does not have to be made up before a Performance Fee can be paid.

Gross Asset Value per Share is calculated using the following formula suggested by the Association of Italian Fund Management Companies (Assogestioni):

$$\mathbf{Q1(t) = Q1(t\text{-}1) \quad x \quad \frac{(\ [NAV(t) \times N(t)] + OG(t) + CG(t)\ )}{(\ [NAV(t\text{-}1) \times N(t)] + OG(t\text{-}1)\ )}}$$

Where:

Q1(t)	is the Fund's Gross Asset Value per Share on the previous Dealing Day;
NAV(t)	is the Net Asset Value per Share on the previous Dealing Day;
N(t)	is the number of Shares in issue on the previous Dealing Day;
OG(t)	is the cumulative amount of the investment management fees from the beginning of the month to the previous Dealing Day;
CG(t)	is the amount of the investment management fees paid on the previous Dealing Day.
CG(t)	is always equal to zero except in the day in which the investment management fees are effectively paid (the second Business Day of each month).

(2) Institutional Accumulating Share Class

For each Performance Period, the Investment Manager shall be entitled to receive a performance fee (the **Performance Fee**) out of the assets attributable to the Institutional Accumulating Share Class of 10% of the amount by which the Net Asset Value of the Share exceeds the Benchmark (plus VAT, if any), taking subscriptions and redemptions into account and calculated in the following manner:

1. For the first Performance Period in the first calendar year during which the Institutional Accumulating Share Class is launched, the **Benchmark** is the Initial Issue Price per Share. For the first Performance Period in each subsequent calendar year, the **Benchmark** is the Net Asset Value per Share at the last Valuation Point in the immediately preceding calendar year.

2. If the Net Asset Value per Share at the end of a Performance Period exceeds the Benchmark, a performance fee is payable. For each subsequent Performance Period, the Benchmark is the reported, final Net Asset Value per Share at the end of the previous Performance Period for which a performance fee was payable.

3. If the Net Asset Value per Share at the end of a Performance Period is lower than the Benchmark, no performance fee is payable. In this case, the Benchmark for the next

Performance Period is the Benchmark for the previous Performance Period being the previous Performance Period for which a performance fee was payable.

4. When a performance fee is payable on Shares, it is calculated as the Net Asset Value per Share less the Benchmark multiplied by the performance fee rate for the Class set out above, multiplied by the number of Shares in issue at the end of the Performance Period. The number of Shares in issue at the end of the Performance Period shall be deemed to include Shares which fall to be redeemed and exclude Shares which fall to be issued as at the end of the Performance Period.

The Performance Fee will be calculated and be taken into account in the calculation of the Net Asset Value per Share as at the Valuation Point in respect of each Dealing Day.

A **Performance Period** means the period from one Valuation Point to the next. The first calculation period shall be the period from the close of the Initial Offer Period of the Class to the first Valuation Point. Fees payable to the Investment Manager shall be calculated and accrued on as at the Valuation Point in respect of each Dealing Day and shall be payable monthly in arrears.

The calculation of the performance fee will be verified by the Custodian.

Where a Performance Fee is payable out of the Fund it shall be calculated on the increase in the Net Asset Value per Share at the end of the relevant Performance Period. Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the Performance period and as a result Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Administration Fee

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.045% of the Net Asset Value of the Fund (plus VAT thereon), if any subject to an annual minimum fee of €20,000. The Administrator is also entitled to a fee of €10,000 for the provision of registrar and transfer agency services to the Fund plus additional fees charged at normal commercial rates where the scope of the services exceeds the thresholds initially agreed. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Custodian Fee

The Custodian shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.02% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum annual fee of €10,000. The Custodian shall also be entitled to be reimbursed for the fees paid by the Custodian to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Formation Costs

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund are estimated to amount to €20,000 and are will be amortised over the first five financial years of the Fund. In the event of a merger between this Fund and any other fund whereby this Fund receives the assets and liabilities of a fund as a result of the merger, the merging fund's unamortised formation expenses will also be transferred as part of the merger and amortised over a period which shall be no longer than two years.

12. MISCELLANEOUS

At the date of this Supplement, there are four other Funds of the Company in existence, namely Tendercapital Cash 12 Months, Tendercapital Income Premium and Tendercapital Secular Euro and Tendercapital US Turnaround.