

## MEGATRENDS PROGRESSION 2025 FINECO AM FUND

### SUPPLEMENT DATED 01 SEPTEMBER 2023

This Supplement contains specific information in relation to **MegaTrends Progression 2025 Fineco AM Fund** (the “Fund”), a sub-fund of **FAM Evolution ICAV** (the “ICAV”), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between sub-funds, authorised by the Central Bank on 11 December 2018 pursuant to the UCITS Regulations.

**This Supplement forms part of and should be read in conjunction with the prospectus of the ICAV dated 1 December 2022 and the addendum thereto (together the “Prospectus”).**

**The Fund may invest principally in units of Underlying Funds in such proportions as the Manager deems appropriate from time to time. Shares of the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down. An investment in the Fund involves certain investment risks, including the possible loss of principal. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**There can be no guarantee that the investment objective will actually be attained and investors are explicitly warned that the Fund is not a capital guaranteed nor a capital protected product. In seeking to achieve its investment objective, the Fund will at times, as described in greater detail below, invest directly or indirectly in a diversified portfolio of instruments and may enter into one or more financial derivative transactions. However, Shareholders must understand that the Fund may bear credit risk in respect of its portfolio of instruments so that if one or more of the issuers of any of those instruments default, the investment objective may not be achieved. Similarly, the Fund bears credit risk in respect of OTC counterparties to its financial derivative transactions, default by any of which on its contractual obligations may mean that the investment objective may not be achieved. Due to the composition of the Fund’s investments, the Fund’s portfolio may be more concentrated geographically and/or sectorally than other investment funds with more diversified portfolios.**

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#### Interpretation and Definitions

Defined terms used in this Supplement will bear the meaning given to them in the Prospectus or shall have the meaning given to them in this Supplement. In the event of any inconsistency between the Prospectus and this Supplement, the terms of this Supplement will prevail.

**Business Day** means every Wednesday or if a particular Wednesday is not a day on which retail banks and securities markets in Luxembourg are normally open for business, the next following day on which retail banks and securities markets in Luxembourg are normally open for business.

**Target Date** 21 May 2025

**Subscription Period** means from 06 September 2023 to 14 November 2023 or such longer or shorter period, as may be determined by the Directors in accordance with the requirements of the Central Bank.

#### Investment Objective and Policies

The investment objective of the Fund is to seek to (i) protect the Fund’s Net Asset Value per Share at certain percentages of the Initial Offer Price up to the Target Date as detailed under the section headed “*Net Asset Value Protection during the Phases*” below and (ii) achieve long-term capital

appreciation.

The Fund is organised in such a manner that encompasses three distinct phases of the Fund, as explained in the subsequent subsections.

### **Phase 1: During the Subscription Period**

During the Subscription Period, the Manager will invest principally, either directly, or indirectly via units of Underlying Funds, in short, medium and/or long term instruments, such as certificates of deposit, commercial paper, treasury bills, banker's acceptances and fixed and/or floating rate transferable debt securities of both Investment and non-Investment Grade (including corporate debt securities, bonds and notes, zero-coupon and discount bonds, debentures) issued by sovereign, government agencies, supranational entities and/or corporate issuers worldwide (the "Initial Strategies"). The reason for having a Subscription Period is to have a short period during which the Fund will accept subscriptions and invest them in a manner designed to seek to achieve a positive investment return whilst maintaining liquidity for the Fund. After the Subscription Period, subscriptions into the Fund are no longer accepted. Although the Fund will be closed for subscriptions after the Subscription Period, requests for redemptions received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day (i.e. each Business Day) in accordance with the section of the Prospectus entitled "Redemption of Shares".

### **Selection of debt instruments**

The debt instruments that may be part of the Initial Strategies will be selected based on the Manager's top-down analysis, which includes a view on the global investment outlook and analysis of market opportunities and securities based on an assessment of factors such as income yield, credit risk and bond duration. The Manager will assess each individual bond and the bond markets to understand the probability of losses being accrued, the bond issuers defaulting on the payment of interest and the performance outlook for the bonds under assessment. Following such credit assessment, the Manager appraises a potential investment in a bond in terms of relative value when compared to other bonds that could be invested in. In this regard, the Manager focuses on relative price, liquidity and risk premium for the purposes of determining which bonds to acquire on behalf of the Fund. When an investment in a bond is made, it will be closely monitored by the Manager taking into account the credit analysis outlined above, and the investment rationale for retaining the investment in such bond will be kept under review by the Manager. The Manager may invest substantially or fully in government bonds issued by any Member State.

As part of the Initial Strategies, the Fund may use the financial derivative instruments listed in the section of this Supplement headed "Types of Financial Derivative Instruments".

### **Phase 2: After the Subscription Period and up to the Target Date**

Following the Subscription Period, the Fund will gradually reduce its allocation to the Initial Strategies up to the Target Date in the following manner:

1. It is anticipated that, following the last day of the Subscription Period, the Fund's asset allocation to the Initial Strategies will reduce by approximately (i) 15% at the end of the first six months, (ii) 15% at the end of the second six months and (iii) 70% at the end of the third six months. Each reduction will be followed by a corresponding investment by the Fund in the Longer Term Strategies (described at point 2 below) (the "Gradual Exposure").

The Manager, based on their discretion, can alter the percentages disclosed above by decelerating the reduction to the Initial Strategies according to their view of market conditions

and to mitigate the risk of short-term price fluctuations in the market on or around each six month period end. The Manager's view on market conditions will be informed by a proprietary quantitative model designed by the Manager which is described below (the "Quant Model") and/or by qualitative considerations that include macroeconomic conditions, valuations and risk sentiment.

This analysis of market conditions will inform the Manager as to whether and by how much they should decelerate the reduction of the Fund's exposure to the Initial Strategies, and in turn gain a corresponding exposure to the Longer Term Strategies.

The proprietary Quant Model allows the Manager to assess market conditions using quantifiable, definitive and numerical data that can be used for checking portfolio return robustness via historical simulations; i.e. it is analysis on documented and definitive information on the past performance of the relevant market. It is based on technical and market indicators such as the relative strength index which analyses the historical strength or weakness of a stock or market based on closing prices of a recent trading period.

2. As described above, every six months following the last day of the Subscription Period, the exposure to the Initial Strategies will be reduced and an exposure will be obtained to a diversified portfolio of Underlying Funds as described in detail immediately below (the "Longer Term Strategies"). The Longer Term Strategies are made up of Underlying Funds that provide the Fund with a mixed exposure to certain asset classes while respecting the investment limits outlined below. This means that as part of the Longer Term Strategies the Fund:
  - I. may invest principally in Underlying Funds that have a primary focus on providing exposure to equities issued by companies operating in sectors and geographical regions that benefit from ongoing global megatrends.

Global megatrends ("Megatrends") are generally defined as global forces of development that create fundamental shifts in the progress of society thus impacting business, the economy, culture and the way we live. Examples of Megatrends that are reshaping our world currently are demographic and social changes, climate change and resource scarcity, technological breakthroughs and rapid urbanization. Megatrends evolve independently of the economic cycle and thus possess the capacity to continuously redraw the financial landscape. Underpinning these Megatrends, it is possible to identify investment sub-themes which act as both drivers and beneficiaries of these Megatrends.

A summary of some of the sub-themes of the abovementioned Megatrends prevalent in the world today are listed below. Potential Shareholders should be aware that the below listed headings are examples of certain sub-themes of Megatrends and are for illustrative purposes only. It is important for potential Shareholders to note that what constitutes a Megatrend sub-theme today may not be classed as such in the future. This is not intended to be an exhaustive list and these sub-themes have the ability to change over time. Therefore, the Fund does not commit to definitively invest in each or all of these Megatrend sub-themes at any time:

- Ageing Population: The ageing of the world's population is widely considered one of the most enduring demographic shifts in human history. Companies which have a focus on improving developments in healthcare, developments in Bio Technology and shifting consumer trends leading to a longer life expectancy are in a position to benefit greatly from this trend;
  - Oncology: With cancer diagnoses expected to increase in the next 20 years, companies which are committing capital to cancer research to develop better diagnostics to cure cancer are in a position to benefit from developments in the treatment of cancer;
  - Water: Population growth, urbanization and water-intensive dietary changes are adding to rising industrial water demand. Companies at the forefront of new technologies required to accommodate increasing global demand for water are well placed to benefit from this trend;
  - Electric & Autonomous Vehicles: With a shift away from internal combustion engine vehicles and movement toward the broad usage of autonomous vehicles, manufacturers of both electric and autonomous vehicles as well as their components and other companies in the supply chain all stand to be beneficiaries from this trend; and
  - Drones: Extensive growth in consumer and commercial drone usage means that companies involved in the production of these technologies will benefit from this evolving trend.
- II. may invest up to 20% of its Net Asset Value in units of Underlying Funds managed with absolute return/alternative investment strategies. Absolute return strategies may invest in a broad range of assets including financial derivative instruments, currencies, and assets that may provide the Fund with an indirect exposure to commodities (in accordance with the UCITS Regulations and the Central Bank UCITS Regulations) in seeking to provide an absolute return in all market environments (i.e. generating consistent positive returns that are not necessarily dependent upon continuous rising markets) hence reducing the downside risks of investment. The absolute return strategies are subject to strict liquidity, transparency, diversification, regulatory and risk management oversight and requirements. Alternative investment strategies are strategies that have a low correlation with fixed income/equity strategies and may provide the Fund with an indirect exposure to commodities via Underlying Funds; and
- III. may invest up to 20% of its Net Asset Value in units of Underlying Funds which provide an exposure to government or corporate debt securities of Investment Grade and/or non-Investment Grade (for example, treasury bonds, corporate bonds, government bonds, municipal bonds and commercial paper) with a fixed or floating rate.

At the time of purchase of debt securities either directly or indirectly via Underlying Funds, the Fund may only have a maximum exposure of 30% of its Net Asset Value to non-Investment Grade debt securities. Where a debt security ceases to be rated or its rating is reduced to below Investment Grade following its purchase, the Manager will consider such event in determining whether the Fund should continue to hold the security either directly or indirectly via Underlying Funds.

#### Selection of Underlying Funds

The Manager actively manages the weighting of the Net Asset Value of the Fund between the Underlying Funds which may make up the Initial Strategies and will make up the Longer Term Strategies.

The Manager will select the Underlying Funds by analysing the universe of relevant Underlying Funds, which have a focus on investing in instruments that make up the Initial Strategies and Longer

Term Strategies, as mentioned above. The Manager will narrow down the universe of Underlying Funds on which investment due diligence will be carried out in order to establish which Underlying Funds are appropriate for inclusion in the Fund from an investment perspective. Due diligence will examine factors, including but not limited to, the investment policy and objectives, performance track record, investment strategy and process of the Underlying Funds, as well as the team structure and risk management processes employed by the Underlying Funds' investment managers. As part of this analysis (i.e. quantitative and qualitative analysis as further detailed below), the Manager will, amongst other things, check for any liquidity issues, investment risk issues and the impact of the proposed investments on the Fund. The Manager will at all times consider the risk/reward trade-off (i.e. the relationship between the amount of return gained on an investment and the amount of risk undertaken in that investment, where higher risk is associated with greater probability of higher return and lower risk with a greater probability of smaller return) associated with any investment/proposed investment and will attempt to achieve a satisfactory balance of risk and reward, in line with the Fund's investment objective. The Manager may seek to benchmark any potential investment under analysis against other opportunities in the marketplace, in order to ascertain the relative merits of the investment opportunity. Both quantitative and qualitative analysis will be considered in the evaluation, selection and on-going monitoring of Underlying Funds and their investment managers, as follows:

- quantitative analysis includes the evaluation of various metrics such as an Underlying Fund's risk adjusted returns, performance consistency correlation (i.e. the regularity with which a particular investment manager outperforms their benchmark index or the market index over specific time periods), up/down market capture (i.e. the overall performance of an investment manager of an Underlying Fund in up and/or down market conditions), active share (i.e. a measure of the percentage of holdings in a portfolio that differ from the relevant benchmark or market index), tracking error (i.e. the standard deviation percentage difference between the performance of an Underlying Fund and its relevant benchmark or market index) and expense ratio; and
- qualitative analysis involves collecting information on Underlying Funds that will allow the Manager to estimate the future performance of Underlying Funds and their investment managers. Examples of such qualitative analysis include carrying out on-site visits of investment managers of Underlying Funds, having periodic meetings and/or conference calls with the investment managers of the Underlying Funds and analysing the legal documents of the Underlying Funds.

In addition to the above, the Manager may give preference to Underlying Funds for which the Manager has an increased level of risk oversight, including Underlying Funds also being managed by the Manager.

The Fund may from time to time invest up to 30% of its Net Asset Value in deposits and hold cash for ancillary purposes provided that no more than 10% of the Net Asset Value of the Fund (or up to 20% booked on account with the Depositary subject to and in accordance with Schedule II of the Prospectus) may be held by a single credit institution.

For the avoidance of doubt, Underlying Funds which are exchange traded must be traded or listed on Recognised Markets.

### *Underlying Funds*

The Underlying Funds that the Fund may invest in shall be UCITS or other investment funds that are eligible for investment by a UCITS. No more than 30% of the Fund's Net Asset Value may be invested in alternative investment funds ("AIFs") in aggregate, therefore the primary focus will be investment in UCITS domiciled in the EU, in particular Ireland and Luxembourg. Any investment in alternative investment funds will be required to meet the Central Bank's requirements and will be domiciled in Ireland, in a Member State of the EEA, the United States of America, Jersey, Guernsey or the Isle of Man. The aggregate maximum management fees that may be charged by the Underlying Funds

in which the Fund may invest will not exceed 2% of such Underlying Fund’s net asset value. Further information on the Underlying Funds is available in the section titled “Underlying Funds” in the Prospectus. The Fund may invest its entire portfolio in Underlying Funds that share the same Manager.

**Phase 3: After the Target Date**

At the Target Date, it is expected (subject to the Manager’s discretion as disclosed above) that the Fund will be fully invested in the Longer Term Strategies

The gradual exposure of Shareholders to the Longer Term Strategies allows Shareholders to obtain a diversified exposure to the market while neutralizing the effect of short-term price fluctuations in the broader market.

**Net Asset Value Protection during the Phases**

The Fund will seek to protect the Initial Offer Price per Share of redeeming Shareholders (subject to any anti-dilution levy that may be applied as set out in the Prospectus on page 42) in line with the below table. The Fund will seek to achieve this by entering into a total return swap (“TRS”) in which it will swap out the performance and income of the instruments that make up the Initial Strategies it has purchased in return for the payment by a OTC counterparty of a fixed rate on the notional amount of the TRS (i.e. on the face value of the TRS), subject to the non-default of the OTC counterparty. The TRS will be unfunded. The TRS will contain a provision which will allow the Manager aim to return to redeeming Shareholders a percentage of the Initial Offer Price per Share for the corresponding period of the Gradual Exposure and as set out in the following table:

<b>Period</b>	<b>Percentage</b>
Phase 1: During the Subscription Period	aim to protect 100% of the Initial Offer Price per Share
Phase 2: From the end of the Subscription Period up to the end of the sixth month thereafter	aim to protect 100% of the Initial Offer Price per Share
Phase 2: From the start of the seventh month up to the end of the twelfth month after the Subscription Period	aim to protect 85% of the Initial Offer Price per Share
Phase 2: From the start of the thirteenth month up to the end of the eighteenth month after the Subscription Period	aim to protect 70% of the Initial Offer Price per Share
Phase 3: After the Target Date	aim to protect 0% of the Initial Offer Price per Share.

**SFDR Classification: Article 6 Fund.**

**SFDR Disclosures**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities. The classification of the Fund as an Article 6 Fund means that the Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have Sustainable Investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

When assessing the Sustainability Risk associated with the Fund’s underlying investments, the Manager is attempting to understand the likelihood of the risk that the value of such underlying

investments could be materially negatively impacted by an environmental, social or governance event or condition (see definition of Sustainability Risk in the main body of the Prospectus). **While the Manager integrates Sustainability Risk into the Fund's investment decision making process as described below, the output of such Sustainability Risk integration is not the determining factor considered in the investment decisions of the Manager in respect of the assets which the Fund may buy and/or hold. Accordingly, the Manager may buy and/or hold assets which may expose the Fund to either high or low levels of Sustainability Risk.**

The Fund integrates Sustainability Risk into its investment decision making process using both quantitative and qualitative processes as summarised below:

- (i) Prior to acquiring investments on behalf of the Fund, the Manager uses Sustainability Risk metrics of a third party data service provider ("Data Provider(s)") in order to assess the relevant investment against Sustainability Risk and to identify whether the investment is vulnerable to such risk; and
- (ii) The Manager also assess whether or not the Underlying Fund manager applies any basic exclusion policy (whereby potential investments are removed from the Underlying Fund investment universe on the basis that they pose a too great Sustainability Risk).

It has been determined that the Fund may have a higher prospect of being impacted by Sustainability Risk given that the Fund does not promote environmental or social characteristics nor does it have Sustainable Investment as its investment objective. To the extent that Sustainability Risk occurs, there may be a sudden, material negative impact on the value of an investment, and hence there may be a material negative impact on the Net Asset Value of the Fund. Such negative impacts may result in an entire loss of value of an investment. The Manager acknowledges that the Fund's exposure to Sustainability Risks is changeable and shall keep the Fund's exposure to these risks under periodic review. Where the Manager considers, as a result of such a review, that the Fund's approach to the management of Sustainability Risks is to materially change, these disclosures will be updated accordingly.

It is possible that an assessment of Sustainability Risks may influence a decision by the Manager not to make an investment or dispose of an existing investment that would otherwise be considered as attractive to invest in or retain when confining the factors considered to financial- related elements such as financial position, revenue, capital structure etc.

Please refer to the section of the Prospectus entitled "Sustainable Finance Disclosures" for further information.

### **Financial Derivative Instruments ("FDI")**

**Where considered appropriate, the Fund may use listed and/or OTC FDI for hedging, risk reduction and/or investment purposes.**

The expected effect of the use of FDI will be to enhance returns and/or reduce inherent risks affecting the Fund's investments.

### *Types of Financial Derivative Instruments*

For the above purposes, the Fund may use the following types of FDI on eligible assets in accordance with the Investment Objective and Policy of the Fund:

- (i) futures contracts on dividends, bonds, interest rates, equity securities /basket of equity securities, equity/fixed income indices/basket of equity/fixed income indices;
- (ii) OTC forwards on currencies;
- (iii) listed or OTC option contracts on (i) currencies, (ii) interest rates and/or bonds, equity securities/basket of equity securities, equity/fixed income indices/ basket of equity/fixed income indices, (iii) futures;
- (iv) swaps (which can include total return swaps, interest rate swaps (IRS), inflation swaps, volatility swaps, credit default swaps on issuers/basket of issuers, on indices or on a basket of indices) and interest rate swaptions; and
- (v) total return swap on bonds/equity securities/basket of equity securities, equity/fixed income indices/ basket of equity/fixed income indices, currencies and commodities

### Index Derivatives

The Fund may take exposure to one or more indices through the use of the instruments listed at (i) - (v) above, provided that any such exposure/index will comply with the conditions and limits set down in the Central Bank's guidance titled "UCITS Financial Indices". It is not possible to identify the specific indices that the Fund may take exposure to (which may change from time-to-time), however, the underlying assets of such indices will be the abovementioned investments that the Fund may gain exposure to in accordance with its investment policy. The Manager does not intend to use indices that rebalance more frequently than monthly, such rebalancing is not expected to have a material effect on the costs incurred within the index, and will be in accordance with the Central Bank UCITS Regulations. When indices to which the Fund obtains an exposure do not comply with the diversification requirements established by the UCITS Regulations, the Fund will apply a "look-through" approach which allows the Manager to analyse the Fund's exposure to the particular indices by looking through the derivative position which gives the Fund the relevant indirect exposure to the underlying indices. This allows the Fund to ensure that it meets the risk spreading requirements of the UCITS Regulations. Following this "look through" analysis, if the Fund's exposure to a particular index exceeds the permitted investment restrictions, the Fund will have to address this by reducing the exposure. The indices, if any, that the Fund takes exposure to will be included in the financial statements of the ICAV and details of the indices, including details of websites where additional information can be obtained, will be available upon request from the Manager.

### Futures, Options and forwards on currencies

The Fund may sell futures, sell call options or buy put options on bonds in order to seek to protect the Fund against interest rate increases. Taking these actions, the Fund may reduce the duration of the Fund's bond portfolio. Interest rate risk is concerned with a fall in the value of a bond or portfolio of bonds due to an increase in interest rates. As interest rates rise, bond prices fall and vice versa. The longer the duration of a bond portfolio, the greater the interest rate risk. Selling futures and/or call options on bonds as well as buying put options on bonds has the effect of reducing the duration of a bond's portfolio. For instance, buying put options on bonds, gives the right, but not the obligation, to the holder to profit from an increase in interest rates. The Fund may engage in an interest rate swap transaction with the same purpose.

The Fund may sell futures, sell call options or buy put options on equities/equity indices/basket of equity indices in order provide an efficient, liquid and effective method for the management of risks by "locking in" gains and/or protecting against future declines in value.

The Fund may buy futures, buy call options or sell put options on bonds in order to gain additional exposure to interest rates. Taking these actions, the Fund may increase the duration of the Fund's bond portfolio. Buying futures and/or call options on bonds as well as selling put options on bonds has the effect of increasing the overall duration of a bond's portfolio. A call option gives the holder

the right to benefit from a rise interest rates. Similarly, buying futures contracts on bonds has the effect of increasing the duration of a bond portfolio. The value of a futures contract on bonds increases as interest rates fall, in the same way as the value of a bond rises as interest rates fall.

The Fund may engage in an interest rate swap transaction with the same purpose. This strategy can also be used in order to seek to protect the Fund against a financial crisis which could negatively affect corporate bond prices but positively affect government bond prices.

The Fund may buy futures or buy call options on equities indices and/or equity securities in order to gain additional exposure to equity markets, and to enhance performance and/or to manage equity market risk to reflect a view on the future direction of the market or index, to achieve a risk reward position, for yield enhancement, to lock an arbitrage profit, to change the nature of a liability and/or to modify the portfolio risk without incurring large transaction costs.

The Fund may use futures and/or put options on equities and/or equity indices in order to hedge the equity market exposure of securities and/or assets, and, in general, in order to hedge or reduce the overall equity market risk of the Fund's investment.

The Fund may also use dividend futures (i.e a forward contract traded on an exchange which allows investors to take a long or short position on the amount of dividends paid by a company to its shareholders for a specific maturity date in the future) in order to hedge its dividend exposure or express a view on the dividend markets e.g. the Fund may believe that a company's future dividend payment expectations are too high or too low and can decide to take a position in dividend futures to express its views.

Further to the above, the Fund may use options on futures (i.e. option contracts that give the right, but not the obligation, to buy or sell a particular futures contract at a specific price on or before a certain expiration date) for hedging, risk reduction and investment purposes. For example, the Fund may look to get an exposure to an uncorrelated market to diversify risk, hedge existing positions to limit risk or invest in more volatile markets at a reduced cost.

The Fund may also use Options and forwards on currencies ("FX Forwards") to hedge the currency exposures of the Fund such as instruments denominated in a currency other than Euro (where relevant). The Fund may also use FX Forwards and/or options to hedge or reduce the Fund's overall exchange rate risk and/or to alter the currency characteristics of instruments held by the Fund where the Manager considers it appropriate to retain the credit quality of a particular instrument but wishes to obtain a currency exposure consistent with the Fund's investment objective. FX Forwards and options may also be used in order to enhance performance and/or to manage exchange rate risk so as to reflect the Manager's view on the future direction of the relevant currencies, to achieve a desired risk/reward position or for yield enhancement and/or to modify the portfolio risk without incurring large transaction costs. When FX Forwards are used in the manner described above, the Fund would be taking short positions in order to hedge and/or reduce risk as described in detail in this paragraph.

### Interest Rate Swaps ("IRS")

The Fund may use IRS in order to hedge fixed interest rates into floating rates or vice versa, or to manage a change in interest rates and/or to obtain or preserve a desired return or spread. They can also be used in combination with futures contracts or government bonds to take a position on a pure credit risk trade, stripping out the directional component of the future or the bond contract, and/or to obtain or preserve a desired return or spread. When IRS are used in the manner described above, the Fund would be taking short positions in order to hedge, reduce risk and/or enhance the yield of the Fund.

### Interest Rate Swaptions

The Fund may use interest rate swaptions (i.e. an option on a swap agreement that gives the buyer the right, but not the obligation, to enter into an interest rate swap on a specified future date in exchange for paying a market - based premium) in order to seek to protect the Fund against interest rate increases, reflecting the Manager's view on the future direction of interest rates. Interest rate swaptions may also be used by the Fund to terminate or extend an existing swap.

### Inflation Swaps

An inflation swap operates in a similar way to an interest rate swap except that it is an agreement negotiated between two parties to exchange payments at a fixed or floating rate in return for payments based on realised inflation over the relevant period. Inflation swaps can allow the inflation sensitivity profile of the Fund to be changed more efficiently than through the use of physical cash markets. They may also be used to express views on the future level of inflation.

### FX Volatility Swaps

The Fund may use FX volatility swaps to take advantage of or protect against potential extreme volatility in currencies. Volatility swaps involve the exchange of forward contracts on the future realised volatility of a given underlying asset and allow the Fund to take positions on the volatility of that underlying asset.

### Credit Default Swaps ("CDS")

The Fund may buy or sell CDS on issuers/basket of issuers, on indices or on a basket of indices in order to hedge or to reduce the credit risk of the portfolio, or to manage the Fund's credit exposures to certain instruments and/or to obtain or preserve a desired return or spread at a lower cost than by direct investment. They can also be used in combination with futures contracts or government bonds to take a synthetic position, and/or to obtain or preserve a desired return or spread. Credit default swaps may also be used in order to gain additional exposure to credit risk. Buying a CDS allows the Fund to protect itself against the default of an underlying instrument by transferring credit risk to a counterparty. As a CDS seller the Fund receives a fixed rate of income throughout the term of the contract, provided that there is no default event of the underlying reference issuer.

### TRS

The Fund may use TRS on instruments held pursuant to the investment policy of the Fund in order to hedge the Fund's portfolio, reduce the risk of the portfolio, or for investment purposes. A TRS is a derivative contract between two parties where they agree to exchange the investment return and income on an underlying asset or a basket of assets for the investment return and income on a different underlying asset or a basket of assets which is agreed between the parties. Up to 250% of the Fund's assets on a gross basis may be subject to TRS on the financial instruments outlined in the Fund's investment objective and policy and it is expected that, in general, 0%-100% of the Fund's assets may be subject to total return swaps.

### General Financial Derivative Instrument provisions

All counterparties of the Fund to FDI will comply with the requirements set down in Regulation 8 of the Central Bank UCITS Regulations (as may be amended from time to time). The OTC counterparty to any FDI entered into by the Fund will have no discretion over the composition or management of the Fund's portfolio or over the underlying of any of the abovementioned FDI.

In respect of the direct/indirect costs and fees arising from the use of TRS, please see the section in the main body of the Prospectus entitled “Securities Financing Transactions”.

### *Collateral Management*

The Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any Member State, or one of its local authorities, or a public international body to which one or more Member States belong provided that the relevant securities are from at least six different issues and no single issue shall make up more than 30% of the Fund’s net asset value. All assets received by the Fund as collateral in the context of the use of FDI will comply with the criteria for the receipt of such collateral set down by the Central Bank, as further detailed under the section of the Prospectus headed “Collateral Policy”.

### *Long/Short Exposure*

The Fund may as part of its investment strategy hold short positions (taken only synthetically through derivatives). The expected maximum level of long derivative positions which the Fund may hold is 350% of its Net Asset Value, measured on a gross basis using the sum of notionals of the derivatives held by the Fund.

The expected maximum level of short derivative positions which the Fund may hold is 350% of its Net Asset Value, measured on a gross basis using the sum of notionals of the derivatives held by the Fund.

### **Risk Measurement - Global Exposure and Leverage**

Market risk created through the use of derivatives will be measured daily using the relative value-at-risk (VaR) approach. VaR is a risk measurement technique designed to estimate the potential loss in the Fund’s portfolio over a set period at a certain confidence level, and is based on statistical analysis of historical price trends and volatilities. The VaR of the Fund’s portfolio is calculated daily and is measured relative to the VaR of the MSCI World Net Total Return EUR Index (the “Index”), an index which the Manager considers is a comparable benchmark to the Fund’s portfolio. The Index is an equity index designed to represent the performance of large and mid-cap stocks across 23 developed markets. In compliance with the UCITS Regulations, the relative VaR of the Fund’s portfolio shall not exceed twice the Index, as determined at least daily using a one-tailed confidence interval of 99%, a holding period of one month (20 Business Days) and an historical observation period of at least one year (250 Business Days) unless a shorter observation period is justified by a significant increase in price volatility, such as in extreme market conditions.

The level of gross leverage, calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank, is expected to be 300% of the Fund’s Net Asset Value. There is a possibility of higher leverage levels than this expected level. The expected level of leverage is calculated based on the sum of the absolute value of notionals of the derivatives used, does not take into account any netting and hedging arrangements and therefore is not a risk-adjusted method of measuring leverage.

### **Investor Profile**

The Fund is suitable for both institutional and retail investors seeking capital appreciation over the long term and seeking protection of the value of their initial investment at certain percentages of the Initial Offer Price up to the Target Date and who are willing to accept a moderate to high level of volatility.

**Base Currency:** Euro

### **Offer of Shares**

The following Classes of Shares are available for subscription:

Share Class	Initial Offer Price	Initial Offer Period	Currency Denomination and Hedged Class		Sales Charge	Minimum Initial Subscription and Minimum Subsequent Subscription	Distribution Type
Class L Acc	€100	From 05 September 2023 to 05 September 2023	Euro	No	Up to 2%	€100 / €100	Accumulating
Class D Acc	€100	From 05 September 2023 to 05 September 2023	Euro	No	No	€500 / €100	Accumulating
Class A Acc	€100	From 05 September 2023 to 05 September 2023	Euro	No	No	€100/ €100	Accumulating
Class A Dist	€100	From 05 September 2023 to 05 September 2023	Euro	No	No	€100/ €100	Distributing
Class A1 Dist	€100	From 05 September 2023 to 05 September 2023	Euro	No	No	€5,000,000 / €100	Distributing

\*Class D Shares in the Fund shall only be made available for subscription to such entities or persons as the Manager may determine from time to time in its absolute discretion.

During the Initial Offer Period, Shares are available for subscription at the Initial Offer Price as indicated in the table above. Where the Initial Offer Period has closed, Shares will be available at the prevailing Net Asset Value of each Class of Shares.

### **Fees and Expenses**

Fees and expenses are payable out of the assets of the Fund and details of how Fees are accrued and paid, and details of other general management and fund charges, are set out in the Prospectus under the heading "Fees and Expenses".

#### *Manager's Fee*

The Manager shall be entitled to a fee of up to 1.85% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

#### *Administrator's Fee*

Up to 0.3% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

### *Depositary's Fee*

Up to 0.2% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

### *Sales Charge*

Up to 2% of the value of the gross subscription except in respect of an Underlying Fund which is managed, directly or by delegation, by the Manager or by any other entity with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, in which case, in order to avoid double charging, either (i) the Underlying Fund will waive any sales charge, or (ii) any sales charge will be waived in respect of the Fund. In respect of scenario (ii) above, the principle of equal and fair treatment of the investors will at all times be met by the Fund in accordance with the Central Bank UCITS Regulations.

**If a sales charge is incurred, Shareholders should view their investment as medium to long-term.**

### *Establishment Costs*

The costs of establishing the Fund, obtaining approval from any authority, filing fees, the preparation and printing of this Supplement, marketing costs and the fees of all professionals relating to it, which are estimated not to exceed €25,000 will be borne by the Fund and amortised over the first five years of the Fund's operation (or such other period as may be determined by the Directors at their discretion).

### **Risk Factors**

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus. In particular, investors should take the following risk factors into account: "General Risks", "Investment Risk", "Liquidity Risk", "Redemption Risk", "Credit Risk", "Currency Risk", "Share Currency Designation Risk", "Risks Affect Specific Issuers", "Derivatives Risk", "Investing in Fixed Income Securities", "Below Investment Grade Credit Risk", "Changes in Interest Rates", "Investment in Exchange Traded Funds (ETFs)", "Additional Risks Applicable to Underlying Funds" and "Sustainable Finance Risks". Nevertheless, such list is not deemed to be exhaustive and therefore investors are recommended to familiarise themselves with all risk factors described in the above-mentioned section of the Prospectus.

