

**ESG TARGET GLOBAL COUPON 2026 FAM FUND II
SUPPLEMENT DATED 01 DECEMBER 2022**

This Supplement contains specific information in relation to **ESG TARGET GLOBAL COUPON 2026 FAM FUND II** (the “Fund”), a sub-fund of the **FAM SERIES UCITS ICAV** (the “ICAV”), an open-ended umbrella type Irish collective asset-management vehicle with variable capital with segregated liability between its sub-funds and authorised by the Central Bank on 1 August 2018 pursuant to the UCITS Regulations.

This Supplement forms part of and should be read in conjunction with the Prospectus for the ICAV dated 01 December 2022 and the addendum thereto (together the “Prospectus”).

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. As the Fund may be exposed more than 20% to emerging markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.

The Fund may, at any one time, be principally invested in FDI for investment purposes, risk reduction and/or hedging purposes. The attention of investors is drawn to the section headed “Risk Factors” in the Prospectus. As the Fund may be exposed more than 20% to emerging markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.

Shareholders should note that dividends may be paid out of the capital of the Fund. As a result, capital may be eroded and distributions may be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted. The value of future returns may be diminished due to the fact that dividends are payable out of capital.

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 week day on which retail banks and securities markets in Europe, the United States, Luxembourg and China & Hong Kong are normally open for business;

Dealing Day: means every Valuation Day or such other day or days as may be determined by the Directors and notified in advance to Shareholders provided that there shall be a at least one Dealing Day per fortnight.

Dealing Deadline: means 11.59am (Irish time) two Business Days before the relevant Dealing Day, provided always that the Dealing Deadline shall not be later than the Valuation Point;

Dividend: Means 0.4% of the Net Asset Value per Share published as at the last Day of the Subscription Period, being the minimum dividend which will be paid by the Fund on the Dividend Payment Dates.

Dividend Payment Dates: 2 November 2022, 1 November 2023, 6 November 2024, 5 November 2025 and 28 October 2026 or, if one of these dates is not a Business Day, the next day which is a Business Day.

Debt Instruments: includes but is not limited to Investment Grade and/or non-Investment Grade fixed and/or floating rate transferable debt securities of all types (including corporate debt securities, bonds and notes, zero-coupon and discount bonds, debentures, inflation linked bonds, subordinated debt securities) denominated in any currency and issued by sovereign or government agencies, supranational entities and/or corporate issuers located anywhere in the world (including emerging markets), mainly listed or traded on a Recognised Markets listed in Schedule I of the Prospectus.

Equity Instruments: means equity and/or equity related securities such as convertible stocks or preferred stock listed (or about to be listed) or traded on any Recognised Markets listed in Schedule I of the Prospectus of (i) issuers listed or traded on developed market stock exchanges or (ii) companies considered by the Manager to be developed market companies and which are listed or traded on other Recognised Exchanges. These instruments will be denominated in any currency.

Initial Offer Period: The Initial Offer Period for the Fund will start at 9:00 AM (Irish time) on 26 August 2021 and will close at 5:00 PM (Irish time) on 6 September 2021. The Initial Offer Period may be shortened or extended by the Directors, and the Central Bank will be notified of any such shortening or extension. During the Initial Offer Period, Shares will be available for subscription at an initial offer price of €100.00 per Share (“Initial Offer Price”).

Maturity Date: 28 October 2026

Money Market/Short Term Instruments: includes but is not limited to investments in cash, treasury bills, commercial paper, certificates of deposit, short term fixed- and/or any kind of floating rate transferable debt securities of all types (including corporate debt securities, bonds and notes, zero-coupon and discount bonds, debentures) denominated in any currency issued by sovereign, government agencies, supranational entities and/or corporate issuers and/or investment in other Underlying Funds which provide exposure to the above instruments.

Subscription Period: means from 7 September 2021 to 8 November 2021 or such longer (up to a maximum period of 6 months from the end of the Initial Offer Period) or shorter period as may be determined by the Directors in accordance with the requirements of the Central Bank. After the close of the Subscription Period, the Fund will not accept any new subscriptions.

Valuation Day: means every Wednesday or if a particular Wednesday is not a Business Day, the Valuation Day shall be the next following Business Day, or such other day or days as may be determined by the Directors and notified in advance to Shareholders.

Valuation Point: Means 11:59pm (Irish time) on the relevant Dealing Day.

Investment Objective

The investment objective of the Fund is to (i) seek to provide a positive return at the Maturity Date linked to the performance of the Basket (as defined in the section entitled “Investment Policy” below) and to (ii) aim to provide Shareholders with a Dividend on each Dividend Payment Date.

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 product. In seeking to achieve its investment objective, the Fund will, as described in greater detail below, invest directly in a diversified portfolio

of Funding Investments (as defined below) and enter into one or more financial derivative transactions. However, Shareholders must understand that the Fund will bear credit risk in respect of its portfolio of Funding Investments so that if one or more of the issuers of any of those Funding Investments 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.

Investment Policy

The Fund will aim to achieve its investment objective by investing in line with the investment parameters set out below. The Fund is actively managed.

I. Funding Investments

Invest up to 100% of its assets in Equity Instruments. Once the Fund purchases the Equity Instruments it will then enter into a total return swap (“TRS”) on the Equity Instruments in which it will swap out the performance and the income of the Equity Instruments in return for the payment by a counterparty of a fixed rate or a floating rate on the notional amount of the TRS (i.e. on the face value of the TRS). The TRS will be unfunded.

The Fund will buy the Equity Instruments and will subsequently enter the TRS in order to fix the rate of return the Fund is seeking to achieve throughout its life, subject to the non-default of the OTC counterparty to the TRS, without being exposed to the performance and income volatility of holding the Equity Instruments directly.

ESG screening

The Equity Instruments will be made up of a minimum of 70% exposure to developed market companies which take account of environmental, social and governance (“ESG”) factors. The ESG factors considered include, but are not limited to, the following:

Environmental Issues	Social Issues	Corporate Governance Issues
Climate change and emission intensity	Customer Satisfaction	Board composition
Air & Water Pollution	Data Protection and Privacy	Audit Committee Structure
Deforestation	Gender & Diversity	Executive Compensation
Biodiversity	Employee Engagement	Lobbying
Water scarcity	Community Relations	Political Contributions
Waster Management	Human Rights	Whistleblower Schemes
Energy efficiency	Labour Standards	

In selecting the above Equity Instruments, an emphasis will be placed on how the relevant company integrates ESG risks and opportunities into its corporate strategy (e.g., a realistic assessment of long-term ESG risks and opportunities, increased transparency into the company’s ESG practices, management teams with aligned incentives, better governance practices, and thoughtful resource allocation).

In determining how a company integrates the above ESG factors, the Manager will use analysis such as a sustainability risk score or ESG ratings provided by a recognised data provider such as Morningstar, MSCI or Bloomberg (or another data source nominated by the Manager). Such ratings and scores will be compared to other peers within the investment universe to select the Equity

Instruments with a more favourable ESG rating/score. In addition, the Manager will in particular look to select Equity Instruments of companies that meet the criteria for inclusion in ESG screened indices such as the MSCI Europe ESG Screened Index (EUR). Such ESG screened indices only comprise Equity Instruments of companies which promote, among other characteristics, certain of the ESG factors listed above.

In addition to the ESG factors considered above, the Manager will use its own proprietary quantitative investment process and a qualitative analysis for the purpose of determining which Equity Instruments to acquire or gain exposure to. The Manager will consider the following criteria as part of its qualitative and quantitative analysis:

Quantitative analysis

- a) **Quality:** Quality companies are characterized as companies with durable business models (meaning companies with stable production/manufacturing capabilities and recurring revenues) and sustainable competitive advantages. Quality companies tend to have high return of equity, stable earnings that are less correlated with the broad business cycle, and strong balance sheets with low financial leverage.
- b) **Value:** Value companies are characterized as companies with attractive fundamental ratios such as forward price to earnings ratio, free cash flow yield and price to book value.
- c) **Momentum:** Momentum companies are characterised as companies which show a continuing positive stock price trend over certain time horizons.
- d) **Minimum Volatility:** Minimum Volatility companies are characterised by low historical volatility of the stock price.

Qualitative analysis

The Manager will look to the current macroeconomic situation, as it relates to the sectors and countries in the investable region. Macroeconomic analysis involves research of the ratios of individual countries' economies with particular attention regarding growth, country risk profile, price and consumer indices.

(i.ii) Gaining an exposure of up to 50% of the Fund's Net Asset Value either directly or indirectly to Debt Instruments.

In respect of the selection of Debt Instruments, the Manager will give preference to investments in Investment Grade government bonds issued by governments globally and/or Investment Grade/non-Investment Grade Debt Instruments issued by credit/financial institutions and/or insurance companies authorised to operate in the UK and/or in a Member States of the European Union or European Economic Area and/or issued by credit institutions authorised by the Securities and Exchange Commission to operate in the United States. The Manager will select the Debt Instruments based on an analysis which includes assessment of Debt Instruments particular yield levels (i.e. the level of return given by a bond up to its maturity date), yield curve slopes (i.e. different levels of return for different maturity dates) and country spreads (i.e. the difference in yield between certain government bonds having the same maturity date).

The Debt Instruments in which the Fund invests will be either non-Investment Grade or Investment Grade at the time of purchase or, if unrated, which are in the opinion of the Manager, of comparable quality. At the time of purchase of the Debt Instruments, the Fund may only purchase, in aggregate, up to 30% of its Net Asset Value in either non-Investment Grade and/or subordinated debt. Where a Debt Instrument 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. The Manager may invest substantially or fully in government bonds issued by any Member State.

In order to obtain the desired return that can be achieved by investing directly in the Debt Instruments but at a lower cost than buying the Debt Instruments directly, the Fund may sell credit default swaps (“CDS”) on the Debt Instruments through which the Fund will receive from the buyer of the CDS a fixed rate of income throughout the term of the CDS, provided there is no default event in respect of the underlying Debt Instrument. The aim of selling CDS on Debt Instruments is to allow the Fund reduce cost and gain additional income for the Fund, in an economically appropriate manner, with the same level of risk as buying the Debt Instruments directly. Any counterparty risk arising to the Fund as seller of the CDS is managed via a daily exchange of collateral in order to minimise any impact arising to the Fund in the case of a default of the buyer of the CDS. The use of CDS in this manner can be classified as efficient portfolio management. See the section below titled “*Use of Financial Derivative Instruments (“FDI”) and efficient portfolio management techniques*” for information on the use by the Fund of efficient portfolio management techniques.

The breakdown of the Funding Investments between Equity Instruments and Debt Instruments will depend on the Manager’s view of the market at the time of purchase or in respect of their ongoing assessment of the holding of the particular Funding Investments. In particular, the Manager will be cognisant of the risk adjusted return of the particular Funding Investment prior to deciding the percentage to allocate to either a Debt Instrument or Equity Instrument.

II. Exposure to the Basket

The Fund will then use the return it receives from the exposure to the Funding Investments described above (plus any cash the Fund may hold that was not used to purchase the Funding Investments) to enter into an equity swap (the “Equity Swap”) which involves an OTC counterparty paying the Fund a return linked to a basket of equity indices (the “Basket”). The Basket will comprise a balance of European, American and Chinese equity indices, such as the CSI 300 Index, the CSI 500 Index, MSCI Europe ESG Screened Index and the S&P 500 ESG Index. The Basket will be substantially weighted in favour of ESG indices that provide the Fund with an indirect exposure to large cap and mid to small-cap global companies which have a focus on ESG factors.

It is expected that the Fund will gradually gain exposure to the Basket, starting with an expected exposure of 25% of the Fund’s Net Asset Value during the first year and reaching an expected exposure of between 75%-100% of the Fund’s Net Asset Value during the year of the Fund’s maturity (i.e. in the year of the Maturity Date). The aim of this gradual exposure is to reduce the overall volatility of the Fund’s exposure to the Basket while gaining an exposure through different market cycles thus avoiding the impact of short-term price fluctuations in the global equity market. At any time that the Fund is not fully exposed to the Basket, the remaining percentage of the Fund’s portfolio will be made up of the Funding Investments.

The Manager will from time to time modify the gradual exposure to the individual equity indices that make up the Basket and the optimal composition of the Basket depending on their view of the global equity market which includes reviewing macroeconomic measures such as interest rates, dividend expectations and other macroeconomic factors which can impact on price movements. In addition, the Manager will also analyse quantitative criterion such as historical volatility of financial indices and the correlation of such indices in respect of its assessment of the composition of the Basket. To give a practical illustration of a scenario which would potentially cause an alteration of the Basket composition based on a hypothetical scenario in which the Basket includes the CSI 300 and CSI 500 indices, the Manager will also consider the fact that the CSI 300 is represented by large-cap companies whereas the CSI 500 is represented by medium/small-cap companies. In favourable macro-economic

conditions, medium/small-cap companies tend to out-perform large-cap companies. Hence in such a scenario, the Basket might be weighted accordingly (i.e. greater exposure to the CSI 500) to avail of the market opportunity.

During the Subscription Period, approaching the Maturity Date and after the Maturity Date, the Fund may invest principally in Debt Instruments and/or Money Market/Short Term Instruments.

At any time the Fund may 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 Depository subject to and in accordance with Schedule II of the Prospectus) may be held by a single credit institution. The Fund may also invest up to 10% of its Net Asset Value in units or shares of Underlying Funds within the meaning of Regulation 68(1)(e) of the UCITS Regulations.

SFDR Classification: The Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex II at the end of this Supplement.

SFDR Disclosure

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 high or low levels of Sustainability Risk.

In addition to what is contained in the Investment Policy section above, the Fund integrates Sustainability Risk into its investment decision making process 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 and/or Sustainability Risk metrics based on internal research in order to assess the relevant investment against Sustainability Risk and to identify how vulnerable the investment is to such risks; and
- (ii) The Manager also applies its basic exclusion policy whereby potential investments are removed from the prospective investment universe on the basis that they pose a too great Sustainability Risk. The Manager's exclusion policy may be obtained on the Manager's website at: <http://finecoassetmanagement.com/sustainability/>.

The Manager has determined that the Fund may have a lower prospect of being impacted by Sustainability Risk given that the Fund falls within the meaning of Article 8 of the SFDR. To the extent that a 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 Risk may influence a decision by the Manager to not make an investment, or to 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.

Use of Financial Derivative Instruments ("FDI") and efficient portfolio management techniques

In addition to the use of FDI described in detail in the Investment Policy section above, the Fund may engage in securities lending for efficient portfolio management purposes and in FDI transactions for investment purposes to generate returns, for the purposes of hedging and risk reduction. The types of FDI that the Fund may use are currency forwards, forwards, futures, interest rate swaps, cross-currency swaps, total return swaps ("TRS"), CDS. The underlying assets of FDIs will be limited to those investments that the Fund may acquire in accordance with its investment policy. Transactions in FDIs will be used for the purpose of meeting the Fund's investment objective and to hedge against currency risk. The expected effect of the use of FDI will be to enhance returns and/or reduce inherent risks affecting the Fund's investments. For information in relation to the risks associated with the use of FDIs, please refer to the "Risk Factors" section of the Prospectus. In respect of the direct/indirect costs and fees arising from the use of efficient portfolio management techniques (e.g securities lending) and the use of TRS, please see the section in the main body of the Prospectus entitled "Securities Financing Transactions".

Currency Forwards: The Fund may use currency forwards for the purpose of hedging currency exchange risk resulting from investments of the Fund being denominated in currencies other than the Fund's Base Currency. The expected effect of the use of currency forwards will be to reduce inherent risks affecting the Fund's investments. For the avoidance of any doubt, the Fund may only use Currency Forwards for hedging purposes. The Fund's use of currency forwards for hedging, may mean it takes short positions.

Cross-Currency Swaps: For hedging purposes, the Fund may use cross-currency swaps in order to exchange fixed or floating cash flow streams calculated on notional amounts in different currencies, at specified dates during the life of the swap. There may be a final, interim or initial exchange of the notional amounts. For example in order to hedge cash flows from a bond which is denominated in, for example, US Dollar and not in the Fund's Base Currency, the Manager may choose to enter into a cross-currency swap, whereby the Fund receives payments in its Base Currency against paying the US Dollar cash flows from the bond. For the avoidance of any doubt, the Fund may only use Cross-Currency Swaps for hedging purposes. The Fund's use of Cross-Currency Swaps for hedging, may mean it takes short positions.

Forwards and Futures: The Fund, in addition to the use of FDI disclosed in the Investment Objectives and policy section above, may use forwards and futures contracts to hedge against downward movements in the value of the Fund's portfolio of investments (i.e. the Fund may enter into forwards and futures to sell or buy investments at a fixed price thereby establishing a floor on the price at which investments may in the future be purchased or disposed), either by reference to investments or markets to which the Fund may be exposed to. This allows the Fund to mitigate the risk of price fluctuation of assets the Fund may hold or the Fund may wish to buy. The Fund's use of Futures and Forwards for hedging, may mean it takes short positions.

Total Return Swaps ("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 100% of the Fund's assets may be subject to total return swaps 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. Counterparties to a TRS will comply with Regulation 8 of the Central Bank UCITS Regulations and will have no discretion over the composition of the underlying of the TRS.

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 of certain instruments and/or to obtain or preserve a desired return or spread at a lower cost than by direct investment. 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 a 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. If the Fund sells a CDS in this way and there is a default event in respect of the underlying reference issuer, the Fund would have to pay the buyer of the CDS the difference between the notional amount (i.e. the full face value) of the CDS contract and the underlying reference asset's market value in the aftermath of the default (i.e. €100 minus the recovery value of the underlying reference asset). The Fund's use of CDS for hedging, may mean it takes short positions.

Exposure to Indices: The Fund may take exposure to one or more indices as described in this section and also as described above in the Investment Policy section, 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 all of the specific indices that the Fund may take exposure to (which may change from time-to-time), however, the exposure provided by such indices will be inline with the exposure that the Fund may acquire 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 consolidated exposure does not meet the risk spreading requirements of the UCITS Regulations, the Fund will have to address this by reducing the said 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.

Short Positions: The expected maximum level of long derivative positions which the Fund may hold is 200% 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 150% of its Net Asset Value, measured on a gross basis using the sum of notionals of the derivatives held by the Fund.

Securities Lending Agreements: Securities lending is the temporary transfer of securities by a lender to a borrower, with agreement by the borrower to return equivalent securities to the lender at a pre-agreed time. These agreements will only be used for efficient portfolio management to enhance overall returns to the Fund through the receipt of finance charges for the lending by the Fund of investments that it may acquire in accordance with its investment policy and are subject to the conditions and limits set out in the Central Bank UCITS Regulations. Counterparties to any securities lending activity will comply with Regulation 8 of the Central Bank UCITS Regulations. The Fund will only act as a lender under securities lending transactions and up to 100% of the Fund's Net Asset Value may be subject to securities lending on the financial instruments outlined in the Fund's investment objective and policy, and it is expected that, in general, 0%-70% of the Fund's Net Asset Value may be subject to securities lending.

Collateral Management: All assets received by the Fund as collateral in the context of the use of FDI and/or efficient portfolio management 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". In addition, the Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, 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.

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 a benchmark composed of 35% S&P 500 Net Total Return, 20% MSCI Europe High Dividend Net Total Return, 10% CSI 300 Index Net Total Return, 10% CSI 500 Index Net Total Return and 25% Bloomberg Euro Aggregate Index, which is considered by the Manager to be a comparable benchmark to the Fund's portfolio. 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 250% 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 all investors who are able to identify a specific target date when they need to withdraw their investment and who wish to obtain income up to the Maturity Date and also those who wish to obtain a return on their investment over a 5 year period. Investment in the Fund is intended to be kept up to the Maturity Date (as defined in section entitled "Definitions" above). The Fund may therefore be suitable for investors who are able to forego their invested capital for the duration of their investment in the Fund and who can accept a medium-to-high investment risk.

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		Minimum Initial Subscription	Sale Charge	Minimum Subsequent Subscription	Distribution Type
Class L Dist	€100	From 26 August 2021 to 6 September 2021	Euro	No	€1,000	Up to 2%	€100	Distributing
Class A Dist	€100	From 26 August 2021 to 6 September 2021	Euro	No	€1,000	N/A	€100	Distributing
Class D Dist	€100	From 26 August 2021 to 6 September 2020	Euro	No	€500	N/A	€100	Distributing

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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.

Application for Shares

Full details on how to purchase Shares are described in the Prospectus under the section titled “Application for Shares”. Investors should note the definitions of Business Day, Dealing Day, Dealing Deadline and Valuation Point in the Definitions section above that shall apply in respect of applications for Shares of the Fund:

Applications for Shares may be made to the Paying Agent or the Administrator (whose details are set out in the Application Form). Applications received by the Paying Agent or the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day, unless the Directors in their absolute discretion, in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day, provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day. After the close of the Subscription Period, the Fund will not accept any new subscriptions.

Fees and Expenses

The following 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

A fee based on the Net Asset Value of each Share Class will be payable to the Manager in the manner set out in the below table:

Manager’s Fee	All Share Classes
During the Subscription Period	up to 0% per annum of the Net Asset Value of each class of Shares
After the Subscription Period	up to 2.30% per annum of the Net Asset Value of each class of Shares
After the Maturity Date	up to 2.30% per annum 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 €20,000 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 in their discretion).

Risk Factors

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus. In particular, we draw Shareholders attention to the Risk Factors entitled, "Risks of Directly Investing in China", "Derivatives Risk" and "Securities Financing Transactions Risk" in respect of the investments the Fund may hold. In respect of the risks of directly investing in China, although the Fund will not directly invest in China, the Fund may engage a derivative counterparty that will provide the Fund with exposure to Chinese indices. Such derivative counterparties may themselves experience risks due to their direct investment in China which in turn allows them to provide the Fund with the relevant indirect exposure to China. This may lead to some risk for the Fund in respect of the relevant counterparty providing the Fund with a valuation for the derivative transaction that the Fund has entered into and thus investors should generally make themselves aware of the potential risks associated with investing directly in China.

Subordinated Debt Risk

As described above the Fund may invest in subordinated Debt Instruments which are often more attractive investments than senior debt securities in respect of the yield these investments may provide. Subordinated Debt Instruments may however involve a greater credit risk as they rank below senior debt securities with regard to the repayment of the principal in the case of issuer default i.e. subordinated debt holders are not repaid until after senior debtholders have been fully paid.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: ESG TARGET GLOBAL COUPON 2026 FAM FUND II
Legal entity identifier: 254900HGJG4YNK0UXQ75

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics promoted by the Fund include:

- Positive Screening:** Consideration of environmental, social and governance (“ESG”) factors is a key element of portfolio construction. The equity instruments in which the Fund invests must be issued by companies that are only listed in ESG screened indices which promote environmental and/or social characteristics, such as the MSCI Europe ESG Screened Index. In

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

addition, the Manager will also determine how such companies integrate environmental and/or social characteristics by analysing ESG ratings attributed to such companies by the Manager and/or third party data providers with the exclusion of ESG “laggards” from the Fund’s direct investment portfolio. By incorporating positive ESG factors as part of the overall portfolio construction process, the Fund through its investments supports a tilt towards investment in issuers that have a positive impact on the environment or society at large.

2. **Fund Level ESG Scoring:** A minimum ESG scoring threshold is applied at Fund level to ensure that the Fund’s portfolio does not fall below a level deemed by the Manager to be appropriate for a fund promoting environmental and/or social characteristics. This additional control introduces a minimum Fund level ESG score and promotes engagement and challenge of portfolio managers to select more positive issuers, demonstrating better environmental and/or social Characteristics.

3. **Negative Screening (Norm-based exclusions)**

For direct holdings, the Manager applies norms-based exclusions based on its Exclusion Policy. The Manager wants its funds under management to avoid making any investments which it [or its clients] deems incompatible with minimum responsible investing principles. To align the Fund’s investments with this approach, the Manager has adopted a firm wide Exclusion Policy which screens all investments for their compliance with minimum international standards and norms, from which an Exclusion List is derived.

Exclusion categories considered in the Exclusion Policy are:

- United Nations Global Compact Principles
- Controversial Weapons
- Tobacco
- Climate Change
- Forced Labour

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Fund uses the following sustainability indicators in order to measure the attainment of the environmental or social characteristics that it promotes (please note that reference to ESG scores means ESG score data received from third party data provider/s):

- i) The minimum Fund level ESG score;
- ii) The percentage of the Fund invested in ESG screened index constituents which demonstrates the Fund’s positive ESG tilt;
- iii) The underlying direct holdings of the Fund being rated above BB by MSCI ESG Manager (or an other corresponding rating from a similar rating provider); and
- iv) The percentage of the Fund investment universe subject to the Manager’s Exclusion Policy.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, principal adverse impacts are considered on an ongoing basis by monitoring the investments against any applicable mandatory and additional PAI indicators.

Information on how the principal adverse impacts were taken into account will be provided in the Fund’s annual report.

No



What investment strategy does this financial product follow?

The Fund follows an investment strategy which seeks to provide Shareholders with a Dividend and which seeks to provide a positive return at the Maturity Date linked to the

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Basket exposure. The Funding Investments of the Fund are used to receive a pay out from an OTC counterparty and to facilitate the obtaining of the Basket exposure.

In selecting the Equity Instruments, an emphasis will be placed on how the relevant company integrates ESG risks and opportunities into its corporate strategy (e.g., a realistic assessment of long-term ESG risks and opportunities, increased transparency into the company's ESG practices, management teams with aligned incentives, better governance practices, and thoughtful resource allocation).

The elements of the investment strategy to attain the environmental or social characteristics of the Fund as described in this Annex are systematically integrated throughout the Fund's investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- a. **The Equity Instruments** will be made up of a minimum of 70% exposure to developed market companies which take account of ESG factors;
- b. **Direct equity investments** of the Fund will only be drawn from constituents of ESG screened indices;
- c. **Minimum underlying security score of BB** by MSCI ESG manager (or an other corresponding rating from a similar rating provider) for each Fund security;
- d. **Exclusion Policy**

The Manager's Exclusion Policy applies and this reduces the investment universe accordingly to exclude issuers that fail to comply with the minimum standards set out therein.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices of investee companies are addressed by reference to having an MSCI score of BB or above (or an other corresponding rating from a similar rating provider). Companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on signatory status to Paris Alignment and Freedom House Status.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



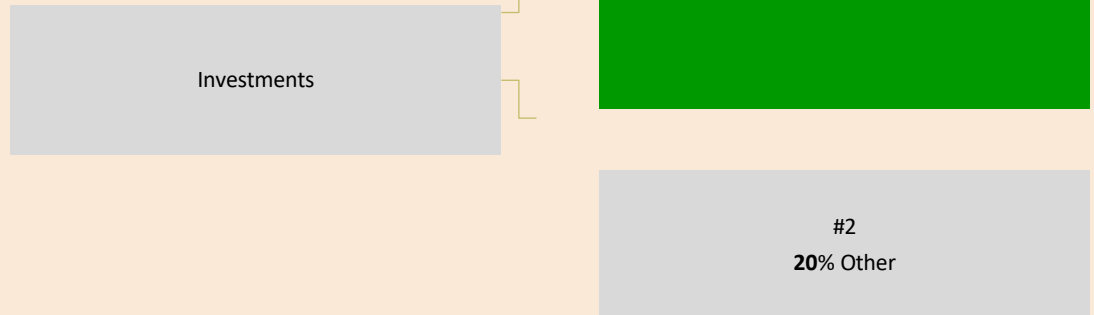
What is the asset allocation planned for this financial product?

Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

*Investments means the Fund's Net Asset Value which is the total market value of the product.

At least 80% of the Fund's Investments will be aligned with the environmental and/or social characteristics promoted by the Fund.

The remaining investments of the Fund may be invested in cash and cash equivalents for liquidity purposes and derivatives which may be used for investment, risk reduction and hedging purposes. The Fund principally uses derivatives to attain its investment objective. However, it is only the direct holdings of the Fund that are measured for the purpose of determining alignment with environmental and/or social characteristics promoted by the Fund and not the underlying derivative exposure.

The asset allocation may change over time and percentages may be updated in the prospectus from time to time. There is no specific allocation among #1A. Calculations may rely on incomplete or inaccurate underlying fund manager data and/or company or third-party data.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund gains exposure through the Basket (which is a derivative exposure as described above) to certain ESG screened indices. However, the Manager has determined that it is more appropriate not to look through derivatives employed by its Funds' under management in order to assess the attainment of environmental and/or social characteristics. Thus, the Fund does not use derivatives to attain the environmental or social characteristics promoted by the Fund.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

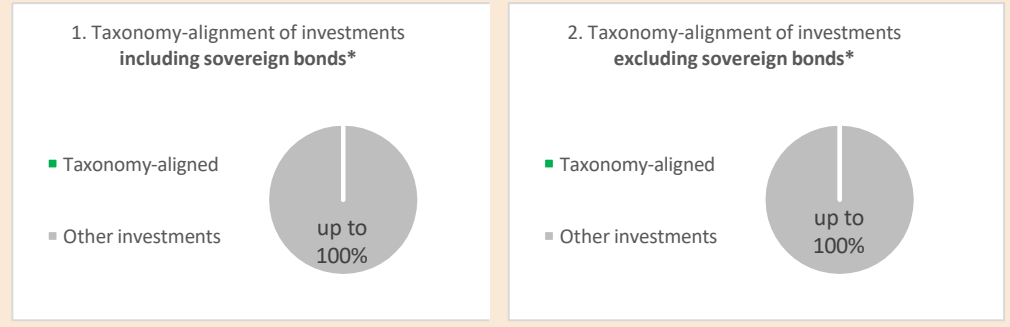
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**
0%. There is no commitment to a minimum proportion of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A



What is the minimum share of socially sustainable investments?

N/A



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining investments of the Fund may be invested in cash and cash equivalents for liquidity purposes and derivatives which may be used for investment, risk reduction and hedging purposes. The Fund principally uses derivatives to attain its investment objective. However, it is only the direct holdings of the Fund that are measured for the purpose of determining alignment with environmental and/or social characteristics promoted by the Fund **and not the underlying derivative exposure.**

Any “#2 Other” potential investments, other than cash or cash equivalents will be screened according to the Manager’s Exclusion Policy.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

Further details on the Responsible Investment Policy, summary investment process and Exclusion Policy can be found on the Manager's website at the following link [FAM - Sustainability | Fineco FAM - Fineco FAM \(finecoassetmanagement.com\)](https://www.finecoassetmanagement.com/fam-sustainability)