

## FINECO AM EMERGING MARKETS TARGET 2027 I

### SUPPLEMENT DATED 1 DECEMBER 2022

This Supplement contains specific information in relation to **Fineco AM Emerging Markets Target 2027 I** (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.**

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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.

**Target Date** 4 June 2027

**Subscription Period** means the 60 calendar days following the end of the Initial Offer Period 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 Fund is being structured as a Fund giving a return to investors over the long term. The Fund is organised in a manner that it has two separate investment objectives for different time periods in the Fund's life as follows, and as explained in detail in each sub-section below:

- 1. During the Subscription Period, the objective of the Fund will be to seek to provide capital appreciation whilst maintaining liquidity for the Fund; and**
- 2. Following the Subscription Period, the investment objective of the Fund is to achieve long- term capital appreciation.**

As stated above, the main investment objective of the Fund is as set out in (2) above and in the section headed "*After the Subscription Period, up to and after the Target Date*". The reason for having a Subscription Period is to have a short 60 day time 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".

*During the Subscription Period*

**During the Subscription Period, the objective of the Fund will be to seek to provide capital appreciation whilst maintaining liquidity for the Fund.** The Manager will seek to achieve this objective by investing 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").

Investment in the Initial Strategies will be selected on the basis that will result in the Fund having a weighted average interest rate duration of no longer than 4.5 years.

#### *Selection of debt instruments*

The debt instruments that may be part of the Initial Strategies will be selected on the basis of 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.

#### After the Subscription Period, up to and after the Target Date

**Following the Subscription Period, the investment objective of the Fund is to achieve long-term capital appreciation.**

The Fund seeks to achieve this objective in the following manner:

1. By reducing the Fund's allocation to the Initial Strategies, on a monthly basis ("Averaging Out").

For example, it is anticipated that following the last day of the Subscription Period and, on a monthly basis, the Fund's asset allocation to Initial Strategies will reduce on average by 1.72% of the Fund's assets.

The Manager, based on their discretion, can alter the above monthly amount by accelerating the reduction to the Initial Strategies on the basis of the Manager's top-down analysis which considers the key macroeconomic indicators and ratios of the major world economies, as described below in more detail.

The aim of the Manager's top-down analysis is to develop a broad understanding of the current macroeconomic outlook and key trends that could influence financial markets. Important factors include but are not limited to a range of data on economic growth, unemployment rates, global and country-specific gross domestic product, inflation rates, currency, yield level, equity valuations, cash flows, earnings momentum, country risk profile, confidence indices as well as the monetary and fiscal policies implemented by Central Banks (for example the European Central Bank, the Bank of England etc.). Further attention is also given to the spreads on bond market debt across countries and sectors.

The top-down analysis allows the Manager to take advantage of favourable market conditions when assessing whether or not to increase the Averaging Out amount above

1.72% a month. Favourable market conditions in this context mean conditions that, once the Manager has run this top-down analysis and assessed the resulting data and market indicators, indicate that it is favourable for the Manager to accelerate the reduction of the Fund's exposure to the Initial Strategies, and in turn gain a corresponding exposure to the Longer Term Strategies at a favourable price.

The Averaging Out process will occur every month following the last day of the Subscription Period for approximately 58 months up to the Target Date. At the Target Date 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.

2. As described above, every month the Fund will complete the Averaging Out process and 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:

- (1) may invest up to 100% of its assets in units of Underlying Funds that provide exposure to equities and equity-linked instruments (i.e. American depositary receipts and global depositary receipts) issued by issuers in emerging markets. Emerging markets refer to countries that are considered by the Manager to be countries that are characterised as emerging by the World Bank, the United Nations, the International Finance Corporation, the European Bank for Reconstruction and Development, or are included in an emerging markets index by a recognised index provider. Whilst the Fund may invest in Underlying Funds made up of investments that have an exposure to China and India; the Fund will not itself invest in those jurisdictions. Up to 10% of the assets of the Fund may be invested in equities issued by companies incorporated anywhere in the world or in Underlying Funds that provide exposure to equities issued by companies incorporated anywhere in the world. The Fund's exposure to Russia via investment in the Underlying Funds shall be limited to 20% of the assets of the Fund. The Fund will not directly invest in securities listed or traded in Russia.;

- (2) may invest up to 20% of its Net Asset Value in units of Underlying Funds that are 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

- (3) may invest up to 20% of its Net Asset Value in units of Underlying Funds which provide an exposure to money market instruments, such as certificates of deposit, commercial paper, treasury bills, and banker's acceptances.

At any time, the Fund may only have a maximum exposure of 30%, either directly or through Underlying Funds, to non-Investment Grade debt securities.

### Selection of Underlying Funds

The Manager actively manages the weighting of the Net Asset Value of the Fund between the Underlying Funds which make up the Initial Strategies and 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 equity markets in countries considered by the Manager to be emerging markets, 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 Fund 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 Depository 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.

**SFDR Classification:** Article 6 Fund.

### **SFDR Disclosure**

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, nor potentially even among the most prominent factors, considered in the investment decisions of the Manager in respect of the underlying investments which the Fund may buy and/or hold. Accordingly, the Manager may buy and/or hold underlying investments 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 in order to assess the relevant investment against Sustainability Risk and to identify how vulnerable the investment is 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).

The Manager has 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 impact may result in an entire loss of value of the relevant investment(s). 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 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.

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

**Where considered appropriate, the Fund may use listed and/or over the counter ("OTC") FDI for either: (i) hedging; (ii) risk reduction; and/or (iii) 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. For information in relation to the risks associated with the use of FDIs, please refer to the "Risk Factors" section of the Prospectus.

#### *(i) 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 Policies of the Fund:

- (i) listed futures contracts on bonds, equity securities/basket of equity securities, equity/fixed income indices/basket of equity/fixed income indices and/or commodity indices;
- (ii) OTC forwards on currencies and/or bonds; and
- (iii) Interest Rate Swaps ("IRS") and/or Credit Default Swaps ("CDS").

#### *(ii) Index Derivatives*

The Fund may take exposure to one or more indices through the use of the instruments listed at (i) and (ii) 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 above-mentioned 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 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.

#### *(iii) Futures and Currency Forwards*

The Fund may sell futures 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 exposure. 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 on bonds has the effect of reducing the duration of a bond's portfolio.

The Fund may sell futures 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. When the Fund is using futures in these circumstances, the Fund would be taking a short position for risk reduction.

The Fund may buy futures on bonds in order to gain additional exposure to interest rates. Taking such action, the Fund may increase the duration of the Fund's bond portfolio exposure. Buying futures on bonds has the effect of increasing the overall duration of a bond's 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. This strategy can 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 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 (i.e. the purchase and sale of an asset in order to profit from a difference in the asset's price between markets whilst ensuring that prices do not deviate substantially from fair value for long periods of time), to change the nature of a liability and/or to modify the portfolio risk without incurring large transaction costs.

The Fund may use listed futures 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.

In addition to Forward currency contracts, The Fund may also use forward foreign exchange contracts 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. Forward currency contracts 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 Forward currency contracts 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.

### Forwards

The Fund may use forwards contracts to hedge against downward movements in the value of the Fund's portfolio of investments (i.e. the Fund may enter into forwards 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 which the Fund may hold or which the Fund may wish to buy.

### IRS

The Fund may use interest rate swaps 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.

### 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. 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.

Short Positions: 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 175% 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 75% of its Net Asset Value, measured on a gross basis using the sum of notionals of the derivatives held by the Fund.

### General Financial Derivative Instrument provisions

In general, futures may also be used in order to enhance performance and/or to manage interest rate risk and/or credit risk to reflect a view on the future direction of the market, achieve a desired risk/reward position or for yield enhancement and/or modify the portfolio without incurring large transaction costs.

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.

### **Collateral Management**

**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".**

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

Market risk created through the use of derivatives will be measured daily using the absolute 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 shall not exceed 20% of the Net Asset Value of the Fund, based on a one-tailed confidence interval of 99%, a holding period of one month (20 Business Days) and a confidence interval using an historical observation period of at least one year (250 Business Days).

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 both institutional and retail investors seeking capital appreciation over the long term 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 19 May 2022 to 7 June 2022	Euro	No	Up to 2%	€1,000 / €100	Accumulating
Class D Acc	€100	From 19 May 2022 to 7 June 2022	Euro	No	No	€500 / €100	Accumulating

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 the following management fee of the Net Asset Value of each Class of Shares.

Management Fee (% of NAV) for each Share Class	
During the Subscription Period	Up to 0.20%
After the Subscription Period up to the end of year 1	Up to 1%
After the end of year 1 up to the end of year 2	Up to 1.4%
After the end of year 2 up to the end of year 3	Up to 1.75%
After the end of year 3 up to the end of year 4	Up to 2.10%
After the end of year 4	Up to 2.55%

#### *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 two 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.