

## Fineco AM Dynamically Hedged US Equities UCITS ETF

### SUPPLEMENT DATED 13 FEBRUARY 2025

This Supplement contains specific information in relation to **Fineco AM Dynamically Hedged US Equities UCITS ETF** (the "**Fund**"), a sub-fund of **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.

Application will be made to Borsa Italiana and/or such other exchanges as the Directors may determine from time to time (the "**Relevant Stock Exchanges**") for the listing of the Shares issued and available to be issued to be admitted to listing on the official list and trading on each of the Relevant Stock Exchanges on or about the launch date of the Fund. This Supplement and the Prospectus together comprise listing particulars for the purposes of listing the Shares on the official list and trading on the main market of each of the Relevant Stock Exchanges.

**This Supplement forms part of and should be read in the context of and in conjunction with the prospectus of the ICAV dated 1 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.**

**The Fund may, at any one time, be principally invested in financial derivative instruments for investment purposes, efficient portfolio management and/or hedging purposes. The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.**

#### **Investment Objective and Policies**

The investment objective of the Fund is to achieve long term capital appreciation.

The Fund seeks to achieve its investment objective by tracking the performance of the S&P 500 Index (the "**Reference Index**", as described below under the sub-heading "**Description of the Reference Index**"). The Reference Index is published by S&P Dow Jones, acting as the index sponsor (the "**Index Sponsor**") and it is described below under the heading "Description of the Reference Index".

In order to achieve its investment objective, the investment policy of the Fund is to invest its Net Asset Value principally in equities and equity-related securities, as further described below. The Fund may then enter into Total Return Swaps with one or more Total Return Swap counterparties (each a "**TRS Counterparty**", as further described below) in order to exchange the performance and/or income of the equities and equity-related securities in return for the performance of the Reference Index.

The investment management of the Fund will take the form of a physical and/or synthetic replication of the Reference Index (the "**Replication Strategy**"). In addition, the Manager will apply an actively managed overlay (the "**Dynamic Hedge**"), as further described below. Each of these investment strategies is outlined below under the heading "Investment Strategies". The Fund is actively managed as outlined below.

The assets in which the Fund may invest (the "**Invested Assets**") are:

*Equities and Equity-related Securities*

The Fund may invest up to 100% of its Net Asset Value in equities and equity-related securities, including preferred stocks and equity-linked instruments such as American depositary receipts and global depositary receipts; and rights of companies located worldwide

The portfolio of Invested Assets will be selected by the Manager based on the Manager's view of market conditions and quantitative parameters such as historical price volatility.

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% held with the Depositary subject to and in accordance with Schedule II of the Prospectus) may be held with a single credit institution.

#### *TRS*

The Fund may enter into Total Return Swaps negotiated at arm's length with one or more TRS Counterparties (which shall satisfy the criteria, set out in the Prospectus under the sub-heading "Securities Financing Transactions", for being such a counterparty). The TRS Counterparty will have no discretion in respect of the selection of the underlying of such Total Return Swaps and such Total Return Swaps are unfunded, i.e. no upfront payment is made. The purpose of the Total Return Swaps is to exchange the performance and/or income of the Invested Assets in return for the performance of the Reference Index. Further information on the use by the Fund of Total Return Swaps is set out below in the section titled "Use of Financial Derivative Instruments ("FDI")".

The Fund may also replicate the Reference Index by holding all of the securities of the Reference Index in a similar proportion to their weighting in the Reference Index. However, the Fund may also invest in a portfolio of equity securities that, insofar as possible and practicable, consists of a representative sample of the component securities of the Reference Index, or which contains securities that are not constituents of the Reference Index (as further outlined below), in order to build a representative portfolio that provides a return that is comparable to that of the Reference Index.

Consequently, the Fund may over certain periods only hold a certain sub-set of the Reference Index securities or may hold securities that are not constituents of the Reference Index. Where the Fund holds securities that are not constituents of the Reference Index, such securities provide similar exposure (with similar risk profiles) to certain securities of the Reference Index. Securities which are not constituents of the Reference Index are selected by virtue of the fact that they provide substantively the same exposure by industry and by company characteristics in the case of liquidity considerations or corporate actions to certain securities of the Reference Index.

In selecting the representative sample of the component securities of the Reference Index as described above, the Manager will use techniques such as optimisation. Optimisation seeks to minimise tracking error through proprietary quantitative portfolio analysis. This analysis may include consideration of matters such as how a security's price changes in relation to another over time, scenario analysis (which involves estimating the change in an investment portfolio's value given a change in key risk factors), and stress testing. The optimisation process analyses portfolio holdings, benchmark weights, transaction costs and risk model data and then computes an optimal portfolio, which minimises tracking error.

The securities in which the Fund invests will primarily be listed or traded on Recognised Markets and in unlisted securities in accordance with the limits set out in the Prospectus and the UCITS Regulations. There is no geographic restriction on the securities (or issuers thereof) in which the Fund may invest.

Pursuant to the Management Agreement, the Manager has full discretionary authority to provide discretionary investment management services in respect of this Fund subject to the investment objective, policies and restrictions of this Fund.

For information in relation to the difficulties associated with tracking indices, please refer to "Reference Index Tracking Risk" in the "Risk Factors" section of the Prospectus. It is currently anticipated that the tracking error of the Fund will be up to 2% under normal market conditions. The causes of tracking error can include but are not limited to the following: holdings/size of the Fund, cash flows, transaction costs, dividend reinvestment, differences in timings between the receipt/payment of subscription and redemption monies into the Fund, investment/divestment of Fund assets and the impact of fees.

#### *Dynamic Hedge*

The Manager will actively manage the Dynamic Hedge element of the Fund's portfolio by implementing a put option strategy which will allow the Manager, depending on the prevailing market conditions, to manage exposure to specific constituents of the Reference Index in a cost efficient manner.

#### **Manager Activity and Level of Discretion**

When implementing the Replication Strategy through the use of Total Return Swaps as described above, the Manager has no discretion regarding the components and their weights inside the Reference Index. The Reference Index is created, calculated, and published by the Index Sponsor, according to predefined rules. It is anticipated that the valuation of Total Return Swaps will reflect the relative movements in the performance of the Reference Index, with the Invested Assets delivering an investment return similar to that of the Reference Index.

The Dynamic Hedge will be fully managed by the Manager as described above. When implementing this strategy, the portfolio of Invested Assets will be selected by the Manager based on the Manager's view of market conditions and quantitative parameters such as trading liquidity, UCITS risk spreading/diversification rules, etc.

#### *Description of the Reference Index*

General Description: The Reference Index measures the performance of the top 500 companies in the US equity market, weighted by market capitalisation. The Reference Index is generally rebalanced quarterly though constituents may on occasion be rebalanced more often if required by the methodology of the Reference Index, including for example where corporate actions such as mergers or acquisitions affect components of the Reference Index.

Publication: The Reference Index is calculated and published by the Index Sponsor.

Further Information and Website: The Index Sponsor's index methodology, composition, revision rules and additional information concerning the underlying components of the Reference Index are available on [www.spglobal.com/spdji/en/indices/equity/sp-500/#overview](http://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview). The Index Sponsor's disclaimer is included as an appendix to this Supplement. Details of the Reference Index will be included in the financial statements of the ICAV.

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

The Fund may engage in FDI transactions for investment purposes to generate returns, for the purposes of hedging, and/or for efficient portfolio management. The types of FDI that the Fund may use are currency forwards, currency swaps, index futures, total return swaps and options. 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.

*Total Return Swaps:* The Fund may enter into Total Return Swaps as mentioned above. The Fund's maximum exposure to Total Return Swaps, based on the notional value of such instruments, is 200% of its Net Asset Value and it is anticipated that any potential exposure that the Fund may have to Total Return Swaps will be in the range of 95% to 150% of its Net Asset Value through Total Return Swaps. Depending on the value of the Total Return Swap, the Fund may have to make a payment to the TRS Counterparty or may receive such a payment. If the Fund is required to make a payment to the TRS Counterparty, this payment may be made via a combination of income received from the Invested Assets and/or the partial or total disposal of the Invested Assets.

*Options:* The Fund may enter into option contracts on equity securities/basket of equity securities, equity indices/ basket of equity indices for investment purposes as well as for the purposes of hedging and/or for efficient portfolio management.

*Index Futures:* The Fund may use index futures (being a futures contract on a financial index), for investment purposes, optimal portfolio management purposes and hedging purposes.

*Currency Forwards and Currency Swaps:* The Fund may use currency forwards and/or currency swaps for the purpose of hedging currency exchange risk.

#### *Long/Short Exposure*

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 200% 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 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 of its securities and are subject to the conditions and limits set out on the Central Bank UCITS Regulations. The Fund's exposure to securities lending transactions is expected to be 5% of the Fund's Net Asset Value, subject to a maximum exposure of 30% of the Fund's Net Asset Value.

#### *Exposure to the Reference Index*

The Fund may take exposure to the Reference Index as outlined above. Exposure to the Reference Index will comply with the conditions and limits set down in the Central Bank's guidance titled "UCITS Financial Indices". When the Reference Index does 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 Reference Index by looking through the derivative position, which gives the Fund the relevant indirect exposure to the Reference Index. 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 said exposure.

The value of the Fund's Shares is linked to the Reference Index, the performance(s) of which may rise or fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

#### *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 Reference Index. In compliance with the UCITS Regulations, the relative VaR of the Fund's portfolio shall not exceed twice the Reference 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 both institutional and retail investors seeking capital appreciation over the long term who are willing to accept a high level of volatility from time-to-time.

**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 the SFDR or have Sustainable Investment as its objective in a way that meets the specific criteria contained in Article 9 of the 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)).

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 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 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.

### ***Sustainability Risk Integration when tracking the Reference Index via Total Return Swaps***

**While the Manager integrates Sustainability Risk into the selection of the Invested Assets 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 selection of the Invested Assets which the Fund may buy and/or hold. Accordingly, the Manager may buy and/or hold Invested Assets which may expose the Fund to high or low levels of Sustainability Risk.**

When looking to replicate the Reference Index via a Total Return Swap as described in the investment policies section, the Fund integrates Sustainability Risk into its selection of the Invested Assets using both quantitative and qualitative processes as summarised below:

- (i) Prior to acquiring the Invested Assets, the Manager uses Sustainability Risk metrics of a third party data service provider or providers in order to assess the relevant investment against Sustainability Risk factors 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 investment universe on the basis that they pose a Sustainability Risk that is too great). The Manager's exclusion policy may be obtained on the Manager's website at: <http://finecoassetmanagement.com/sustainability/>.

***Sustainability Risk Integration when replicating the Reference Index directly (i.e. by holding some or all of the securities of the Reference Index)***

When directly replicating the holdings of some or all of the Reference Index, the Manager integrates Sustainability Risk into its due diligence assessment of the investments of the Fund. However, such due diligence is not a determining factor with regard to investment decisions on the basis that the Fund is an index tracking sub-fund which physically replicates the Reference Index and such output is accordingly deemed not relevant.

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

**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	Hedged Class	Sales Charge	Minimum Initial Subscription and Minimum Subsequent Subscription	Distribution Type
Class A Acc	100	14 February 2025– 28 February 2025	Euro	No	No	1,000/100	Accumulating
Class AH Acc	100	14 February 2025– 28 February 2025	Euro	Yes	No	1,000/100	Accumulating
Class I Acc	100	14 February 2025– 28	Euro	No	No	1,000,000/100	Accumulating

		February 2025					
Class J Acc	10,000	14 February 2025– 28 February 2025	Euro	No	No	1,000,000/100	Accumulating
Class P Acc	10,000	14 February 2025 – 28 February 2025	Euro	No	No	1,000 /100	Accumulating

During the initial offer period Shares are available for subscription on the primary market at the initial offer price as indicated in the table above. Where the initial offer period has closed, Shares will be available on the primary market at the prevailing Net Asset Value of each Class of Shares.

### Definitions applicable to the Fund

Investors should note the following definitions that shall apply in respect of the Fund:

**“Business Day”** means a day (except Saturday or Sunday and public holidays) on which retail banks and securities markets in London and Luxembourg are normally open for business;

**“Dealing Day”** In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Directors: (i) markets on which the Sub-Fund's investments are listed or traded, or (ii) a significant proportion of markets on which constituents relevant to the Reference Index are listed or traded are closed; provided there is at least one Dealing Day per fortnight;

**“Dealing Deadline”** means 3:00pm (Irish time) on the day prior to the relevant Dealing Day;

**“Valuation Day”** means each Business Day on which the Net Asset Value will be calculated by the Administrator for each Dealing Day and such other Business Day or Days as the Directors may determine; and

**“Valuation Point”** means 11.59pm (Irish time) on the relevant Business Day;

Applications for Shares on the primary market may be made to the Administrator (whose details are set out in the Application Form). Applications received by 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.

### Fees and Expenses

The following fees and expenses are payable out of the assets of the Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "Fees and Expenses".

*Manager's Fee*

Up to 1% 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.

*Establishment Costs*

The cost of establishing the Fund and the preparation and printing of the relevant Supplement is expected not to exceed EUR 25,000 and will be charged to the Fund and amortised over the first five years of the Fund's operation or such other period as the Directors may determine.

A detailed summary of each of the fees and expenses of the Fund and the ICAV is set out in the section of the Prospectus headed "**Fees and Expenses**".

**Risk Factors**

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.



## APPENDIX

### Disclaimer of the Index Sponsor

The S&P 500 Index (the "Index") is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJI") and has been licensed for use by Fineco Asset Management DAC (FAM DAC) or its affiliates. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by FAM DAC. It is not possible to invest directly in an index. The Fineco AM Dynamically Hedged US Equities UCITS ETF (the "Fund") is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Index to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices' only relationship to FAM DAC with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Index is determined, composed and calculated by S&P Dow Jones Indices without regard to FAM DAC or the Fund. S&P Dow Jones Indices has no obligation to take the needs of FAM DAC or the owners of the Fund into consideration in determining, composing or calculating the Index. S&P Dow Jones Indices is not responsible for and has not participated in the determination of the prices, and amount of the Fund or the timing of the issuance or sale of the Fund or in the determination or calculation of the equation by which the Fund is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Fund. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment or tax advisor. A tax advisor should be consulted to evaluate the impact of any tax exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY FAM DAC, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND FAM DAC, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.