FINECO AM EURO CREDIT BOND FUND

SUPPLEMENT DATED 6 JANUARY 2023

This Supplement contains specific information in relation to **FINECO AM EURO CREDIT BOND FUND** (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 and segregated liability between sub-funds, authorised by the Central Bank on 1 August 2018 pursuant to the UCITS Regulations.

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").

The Fund may invest substantially in money market investments. Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular the risk that the value of the principal invested in the Fund may fluctuate.

Investment Objective and Policies

The investment objective of the Fund is to provide long term total return (meaning capital growth and income) by investing in a portfolio of Investment Grade rated fixed income securities (including corporate bonds and treasury bonds) denominated in Euro.

The Fund seeks to achieve its investment objective while promoting environmental and/or social characteristics under Article 8 of SFDR as described under “ESG Integration” below. The Fund does not pursue a sustainable objective and thus it is not classified under Article 9 of SFDR.

The Fund seeks to achieve this objective by investing primarily in Euro denominated Investment Grade fixed income securities issued by corporates, governments (or government- guaranteed), government agencies and supranational bodies.

The Fund will invest primarily in Euro denominated fixed income securities (both fixed and floating rate). Such fixed income securities are to carry a minimum credit rating of Baa3/BBB- (according to Moody's and Standard & Poors respectively).

The Fund may also invest up to 10% of the Net Asset Value, in non-Euro denominated fixed income securities issued by companies or guaranteed by governments, government agencies or supranational bodies in both developed markets (such as OECD countries) and emerging markets, which includes exposure to India and China. The Fund may have exposure to India and China and this will be achieved through fixed income securities listed or traded on Recognised Markets in the United States or the European Union, and settled on platforms such as Euroclear or Clearstream. The Fund may also invest up to 10% in high yield issues.

The fixed income security selection process used by the Manager involves bottom-up analysis (steps 1 and 2) and a top-down overlay (step 3). The first step involves defining the eligible investment universe. A security is deemed eligible if it fulfils the Manager's transparency and corporate governance criteria and if the Manager determines that its exposures to specific risks such as legal, reputational and environmental, are manageable. In the second step the Manager selects the securities within this universe based on its extensive proprietary research capabilities (for example, pricing models designed by the Manager) and "quality investing", with a long-term outlook. "Quality investing" involves identifying assets based on an analysis of the security and credit quality (present and future) and of its valuation (i.e. whether its yield provides an attractive reward for the risks involved). The top-down overlay (third step) consists of adapting the portfolio general positioning to the Manager's expectations regarding macroeconomic conditions such as growth, inflation and trends in corporate credit quality. ESG integration will also be a key consideration in assessing the merits of any investment and will be integrated into the process as a core part of understanding the risk profile of any investment.

The Fund may invest up to 10% of its Net Asset Value in contingent convertible securities (CoCos) however this is not expected to exceed 5% of the Fund's Net Asset Value. The Manager believes CoCos offer the Fund with an attractive investment opportunity as they are typically issued by banks and insurance companies and are issued at a significant discount/higher coupon compared to bank senior and subordinated capital and may offer good relative value compared to other securities issued by a bank. The Fund may also normally invest up to 10% of its Net Asset Value in cash and/or money market instruments such as government debt, commercial paper, bankers' acceptances and certificates of deposit.

The Fund may invest in FDIs for investment, efficient portfolio management and hedging purposes as further described in the section titled "Use of Financial Derivative Instruments (FDI) and other Instruments and Techniques" below. In particular the Fund may enter into currency forwards for hedging purposes. In addition the Fund may enter into Credit Default Swaps (CDS") for hedging or investment purposes as further described in the section headed "Credit Default Swaps" below. Based on the Manager's assessment of investments (described above), the Fund may sell protection where the Manager is of the opinion that these instruments are a better substitute compared with purchasing debt securities and for the purpose of generating additional income for the Fund. The Fund may also enter into CDS to buy protection where the Manager wishes to decrease the Fund's exposure to credit risk. Investment in currency forwards and CDS will be used on an ancillary basis by the Manager and is not expected to form a substantial proportion of the Fund's overall use of FDIs.

No more than 10% of the Fund's Net Asset Value may be invested in units or shares of Underlying Funds within the meaning of Regulation 68(1)(e) of the UCITS Regulations and the purpose of such investment is to gain exposure to the types of investments described therein.

Other than permitted investment in unlisted securities and FDIs, the Fund's investments will be limited to securities and exchange traded FDIs that are traded on the markets listed in Schedule I of the Prospectus.

ESG Integration

The Fund seeks to promote ESG characteristics through the active incorporation of ESG factors and considerations into the investment decision making framework, and portfolio analysis and monitoring activities, using inputs from internal and external data sources.

ESG Screenings

Exclusion screenings: In the process of selection of the permitted instruments, the Manager’s exclusion policy will apply.

The Manager’s exclusion policy may be obtained on the Manager’s website at: http://finecoassetmanagement.com/sustainability/. The Manager’s exclusion list which is derived from the exclusion policy may be obtained upon request from the Manager by reaching out to the contact details available on its website at: http://finecoassetmanagement.com/contact/.

ESG Assessment: The Manager selects those securities for the Fund that show sound fundamentals and high ESG scores, while being valued at a discount to the Manager’s assessment of intrinsic value.

When considering ESG scores, the Manager has regard to ESG scores assigned by a third party data provider. Further information on ESG scores is available on the Manager’s website at the link:

http://finecoassetmanagement.com/sustainability/

The due diligence includes an analysis on ESG risks material to the investee issuers and considers how those entities manage their sustainability risks.

Data Reliance: The Manager will (i) source data from third-party data providers such as MSCI Inc and Bloomberg, and will apply its discretion on the conclusions of the data providers, and/or (ii) carry out its own internal ESG analyses on issuers. Potential investments for which there is insufficient data available from third party providers to conduct an ESG analysis, may be deemed not eligible for inclusion in the Fund's investment universe subject to the Manager's own internal ESG analysis and assessment of an issuer which may include engagement with the relevant issuer to understand their approach to ESG matters.

ESG factors

The list of ESG factors considered by the Manager for each investment will differ according to the sector, industry and business activity the issuer is engaged in. Examples of ESG factors considered by the Manager are:

Environmental Issues	**Social Issue**	**Corporate Governances Issues**
Air pollution	Workplace safety	Audit committee independence
Waste & Hazardous Materials Management	Working conditions	Compensation committee independence
Water pollution	Employee health	Political contribution
Resource efficiency / management	Social value creation	Executive compensation
Biodiversity / habitat protection	Child labour ban	Stakeholder engagement
Material Sourcing & Efficiency/ management	Emergency preparedness	Code of conduct

Responsible Investing Information

For any additional information on the Manager's sustainable investing approach, please refer to the Manager's website at the following link: https://finecoassetmanagement.com/sustainability/

Use of Financial Derivative instruments ("FDIs")

The Fund may use FDI for investment purposes. The Fund may also engage in transactions with FDIs for the purposes of efficient portfolio management and hedging.

The types of FDIs that the Fund may use are futures, options, swaps (credit default swaps), forward currency contracts and foreign currency forwards and the underlying assets of FDIs will be limited to those investments that the Fund may acquire in accordance with its investment policy. The expected effect of the use of these instruments 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.

Options: The Fund may buy or sell options. The Fund may acquire options and in particular call options may be used to gain exposure to fixed income securities and can provide an efficient, liquid and effective mechanism for taking a position in securities. Put options may be used to hedge against downside risk by permitting the Fund to sell investments at a fixed price and thereby protect the value of its portfolio in circumstances of a sell-off and decline in market values.

Credit Default Swaps: The Fund may use credit default swaps as a substitute for purchasing fixed income securities or for the purposes of hedging exposure to fixed income securities and reducing the credit risk in respect of investments. The Fund may either buy or sell credit protection under credit default swaps. The Fund expects to use credit default swaps for long exposure to certain fixed income securities or indices and may also take synthetic short positions on fixed income securities, either as a hedge against a long position or for investment purposes.

Interest Rate swaps: The Fund may use interest rate swaps to gain exposure to changes in relevant interest rates or to hedge against changes in relevant interest rates.

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

Forward Currency Contracts: The Fund will use interest forward currency contracts to hedge the foreign currency risk stemming from bonds denominated in currencies other than the Euro, as the case may be, or to mitigate the exchange rate risk between the Fund's Base Currency and the currency designation of a particular Share Class where relevant.

Long/Short Exposure: The Fund will not directly short securities but instead may as part of its investment strategy hold short positions through derivatives including currency forwards, interest rate futures and credit default swaps, on fixed income securities. Short positions will be selected based on the Manager's assessment of the valuation of the credit standing of the underlying securities and will be used to hedge against or take advantage of price movements of bonds or bond markets generally. Currency swaps may be used to hedge against foreign exchange risk arising when investments are denominated in a currency other than the Fund's Base Currency. The expected maximum level of long derivative positions which the Fund may hold is 100% 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 100% of its Net Asset Value, measured on a gross basis using the sum of notionals of the derivatives held by the Fund.

Exposure to Indices: The Fund may take exposure to indices through the use of credit default swaps as outlined above. The exposure to indices, if any, will comply with the conditions and limits set down in the Central Bank's guidance entitled "UCITS Financial Indices". When an 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 Index 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 said exposure. It is not possible to identify the specific indices that the Fund will take exposure to (which may change from time to time), however, the underlying assets of such indices will be fixed income securities that the Fund may acquire in accordance with its investment policy. The Manager will not 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. 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 to Shareholders upon request from the Manager.

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 by the Fund of securities that it may acquire in accordance with its investment policy and are subject to the conditions and limits set out on the Central Bank UCITS Regulations. The Fund will only act as a lender under securities lending transactions and exposure to securities lending transactions is expected to be 30% of the Fund's Net Asset Value, subject to a maximum exposure of 50% of the Fund's Net Asset Value.

Risk Measurement - Global Exposure and Leverage

Global exposure is calculated using the commitment approach. Global exposure and leverage as a result of FDIs, as measured using the commitment approach, shall not exceed 100% of the Fund's Net Asset Value.

The Markit IBOXX Euro Corporates Index (the "Index") is the Fund's reference performance benchmark. Its details are provided for comparison purposes only. The Index tracks a number of different types of bonds including fixed and zero coupon bonds.

Investor Profile

The Fund is suitable for investors seeking to generate income and capital growth over the long term (i.e. 5+ years) through investment in a portfolio of mainly Investment Grade corporate bonds and who are willing to accept a moderate level of volatility.

Investment Advisor

The Manager has appointed Allianz Global Investors GmbH, of Bockenheimer Landstrasse 42 – 44, 60323 Frankfurt am Main, Germany, to act as its investment advisor (the "Investment Advisor") with no discretionary power in respect of the Fund pursuant to an amended non-discretionary investment advisory agreement dated 1 January 2023. The Investment Advisor will provide strategic asset allocation advice to the Manager in respect of the selection and weighting of assets of the Fund, on a non- discretionary basis. For the avoidance of doubt, the Manager will retain full discretion in respect of the selection and weighting of assets of the Fund.

SFDR Classification: The Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR, as further described in Annex II at the end of this Supplement.

Additional Sustainability 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.

The Fund integrates Sustainability Risk into its investment decision making process as summarised above under “ESG Integration”.

While the Manager integrates Sustainability Risk into the Fund's investment decision making process, 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.

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

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

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**	**Share Class**
Class L Acc	€100	Closed	Euro	No	Yes/ 3%	€1,000 / €100	Accumulating
Class A Acc	€100	Closed	Euro	No	No	€1,000 / €100	Accumulating
Class L Dist	€100	Closed	Euro	No	Yes/ 3%	€1,000 / €100	Distributing
Class I Acc	€100	Closed	Euro	No	No	€1,000,000 / €100	Accumulating
Class D Acc	€100	2 December 2022 – 1 June 2023	Euro	No	No	€500/ €100	Accumulating
Class J Acc	€10,000	2 December 2022 – 1 June 2023	Euro	No	No	€1,000,000 / €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.

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 following deadline that shall apply in respect of applications for Shares of the Fund:

"**Dealing Deadline**" means 11:59 am (Irish time) on the relevant Dealing Day.

"**Valuation Point**" means 4:00 pm (Irish time) on the relevant Dealing Day.

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.

Fees and Expenses

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

Manager's Fee
The Manager shall be entitled to a management fee of up to 1.35% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

Investment Advisor Fees
The Manager shall pay out of its own fee the fees of the Investment Advisor.

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 3% of the value of the gross subscription except in respect of unless 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 fee is incurred, Shareholders should view their investment as medium to long-term.

Risk Factors

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

Contingent Convertible Bond Risk

In addition, investors should note the risks of investing in contingent convertible bonds ("CoCos"). CoCos are debt instruments issued by European financial institutions which have loss absorbing features and may convert to equity when a predetermined trigger is met, such as when the issuer's capital adequacy falls. The existence of these trigger events creates a different type of risk from traditional bonds and can result in a partial or total loss of value or alternatively they may be converted into shares of the issuer which may also have suffered a loss in value. Investing in CoCos carry the following (non-exhaustive) list of risks:

<u>Trigger level risk</u>: Each Coco has its own characteristics and the trigger levels upon which a CoCo is written down or converts to equity may be different for each instrument. Investors in CoCos bear the risk of loss of value due to a loss of capital of the issuer, which may result to the conversion of the CoCo to equity or write down of the value of the CoCo.

<u>Resolution powers</u>: Resolution powers written into statutory law provide resolution or supervisory authorities with powers to ensure that CoCos absorb losses if the issuer is deemed to be non-viable. The point of non-viability is defined as the point at which the resolution authority determines that (i) the institution is failing or likely to fail (ii) there is no reasonable prospect that a private action would prevent the failure and (iii) a resolution action is necessary in the public interest. The point of non-viability may be deemed by the relevant authority to be before the level at which a trigger has been reached.

<u>Coupon cancellation risk</u>: Coupon payments on certain types of CoCo are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

<u>Capital structure inversion risk</u>: CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated.

<u>Call extension risk</u>: As CoCos may be issued as perpetual instruments and investors may not be able to recover their capital on the optional reimbursement dates provided for in the terms of issue.

<u>Unknown risk</u>: CoCos are relatively new instruments and their behaviour during a period of stressed market conditions may be highly unpredictable. In a stressed environment, if an issuer or issuers suspend coupon payments or convert the instruments to equity there is a risk that investors consider this issue to be systemic, which could have a contagious impact on the market.

<u>Yield/Valuation risk</u>: CoCos often provide attractive yield and tend to compare favourably from a yield standpoint when compared to more highly rated debt issues of the same issuer. However, there is a risk that investors may not have fully understood the risk of conversion of these instrument to equity or the risk of cancellation of their coupon payments.

<u>Conversion risk</u>: It might be difficult to assess how CoCos will behave upon conversion. In the case of conversion into equity, the Fund might be forced to sell these new equity shares at a discount to their normal market value.

<u>Liquidity risk</u>: In the circumstances of the conversion of CoCos or if coupon payments are cancelled, this may affect the liquidity of these instruments and sellers of CoCos may have to accept a significant discount to the expected value of the CoCo in order to sell the instrument.

Write-down risk: Should a CoCo undergo a write-down, the Fund may lose some or all of the original investment in the CoCo.

Subordinated instruments: CoCos are subordinated instruments and rank junior in priority of payment to the claims of all senior creditors and certain subordinated creditors of the issuer.

ANNEX II

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

Product name: FINECO AM EURO CREDIT BOND FUND
Legal entity identifier: 635400SKB7Q3DB2CUM45

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ 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 ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

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

1. **Positive Screening**: Consideration of ESG factors are a key element of portfolio construction. The Manager will determine how such companies integrate E&S characteristics by analysing Environmental and/or Social ratings attributed to such companies with the exclusion of Environmental and/or Social “laggards” from the Fund’s investment portfolio. By incorporating positive Environmental and/or Social factors as part of the overall portfolio construction process, the Fund through its

investments supports a tilt towards investment in issuers that have a more 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 (see link to Exclusion Policy for more information) applies norms-based exclusions. The Manager wants its funds under management to avoid making any investments which the Manager or its clients might deem 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

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.

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 receievd from third party data provider/s):

i) The minimum Fund level ESG score;

ii) The percentage of the Fund's portfolio rated above BB by MSCI ESG Manager (or an other corresponding rating from a similar rating provider) and;

iii) 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 Fund portfolio against 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. The PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

☐ No

What investment strategy does this financial product follow?

The investment objective of the Fund is to provide long term total return (meaning capital growth and income) by investing in a portfolio of Investment Grade rated fixed income securities (including corporate bonds and treasury bonds) denominated in Euro.

The Fund seeks to achieve this objective by investing primarily in Euro denominated

Investment Grade fixed income securities issued by corporates, governments (or government- guaranteed), government agencies and supranational bodies.

The Manager systematically includes ESG analysis in its investment decision making process by relying on certain ESG screenings, practices and factors, which are summarised as follows and that can also be found in more detail on the Manager's website at the following link: https://finecoassetmanagement.com/sustainability/;

ESG Screenings

1. **Exclusion screenings**: in the process of selection of the permitted instruments, the Manager - in accordance with its exclusion policy (the "Exclusion Policy"), may identify issuers that are allegedly involved in breaches of international norms on, for example, environmental protection, human rights, labour standards and anti-corruption. If an issuer is identified in this screening process, action is taken by the Manager that may lead to the exclusion of such entity from the investment universe of the Fund.

   The exclusions specifically covered by the Manager's Exclusion Policy currently include:

   a. Issuers that breach the principles of the United Nations Global Compact (UNGC);
   b. Issuers involved in the manufacture or product life cycle of controversial weapons (such as but not limited to chemical weapons, cluster munitions and landmines);
   c. Issuers deriving a certain percentage of their revenue from the production of tobacco or from other type of involvement in the life cycle of tobacco products such as distribution or licencing activities;
   d. Issuers that derive a certain percentage of their revenue from thermal coal extraction and/or arctic drilling;
   e. Issuers that contravene the UNGC labour-related principles and International Labour Organisation's ("ILO") broader set of labour standards.

2. **ESG Assessment**: the Manager selects those securities for the Fund that show sound fundamentals and higher ESG scores, while being valued at a discount to the Manager's assessment of intrinsic value.

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. **Minimum underying security score of BB** by MSCI ESG manager (or an other corresponding rating from a similar rating provider) for each Fund security;

b. **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?

Not applicable

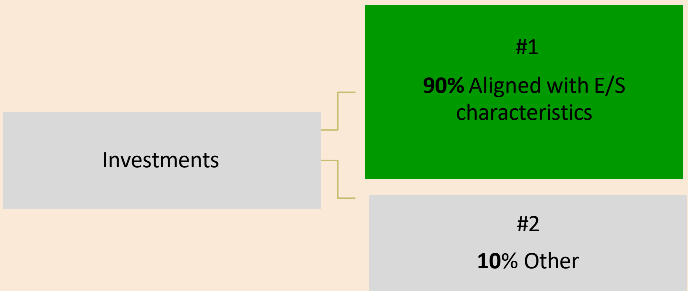
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



#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.

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.

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

At least 90% 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 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 company or third party data.

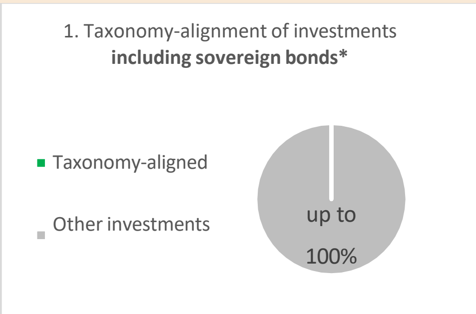
- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

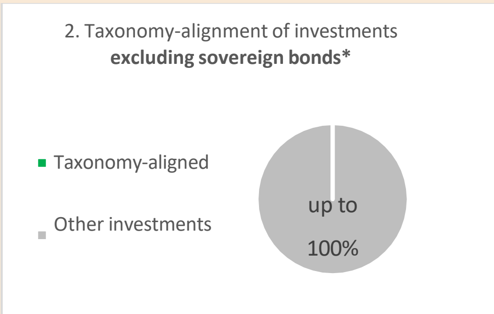
  Derivatives are not used to attain the environmental or social characteristics promoted by this Fund.

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*

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.

- ***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.

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.

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

- ***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

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 Management Company's website at the following link FAM - Sustainability | Fineco FAM - Fineco FAM (finecoassetmanagement.com)