

## FAM MEGATRENDS TARGET OCTOBER 2024

### SUPPLEMENT DATED 1 DECEMBER 2022

This Supplement contains specific information in relation to **FAM MegaTrends Target October 2024** (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 FAM Evolution ICAV dated 1 December 2022 and the addendum thereto (together, the “Prospectus”).**

**This Fund pursues a fund of funds approach and may invest principally in Underlying Funds in such proportions as the Manager deems appropriate from time to time.**

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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.

<b>Maturity Date</b>	25 October 2024
<b>Subscription Period</b>	means the 60 calendar days following the end of Initial Offer Period or such longer 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 at the Maturity Date. 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 medium to 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 and up to the Maturity 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 up to 100% of its Net Asset Value in units of Underlying Funds, which provide an exposure to short, medium and/or long term instruments, such as certificates of deposit, commercial paper, treasury bills, banker’s acceptances and short term 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 3 years.

### After the Subscription Period and up to the Maturity 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 Initial Strategies on a monthly basis ("Averaging Out").

For example, following the last day of the Subscription Period, the Fund's asset allocation to Initial Strategies will reduce by approximately 1.72% of the Fund's assets. This reduction will be followed by a corresponding investment by the Fund in the Longer Term Strategies (described at point 2 below). This Averaging Out will continue in the same proportion every month up to the Maturity Date.

The Averaging Out process will occur every month, following the last day of the Subscription Period, for 58 months up to the Maturity Date. At the Maturity Date the Fund will be fully invested in the Longer Term Strategies. This gradual exposure of Shareholders to the Longer Term Strategies allows Shareholders 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 Underlying Funds as described in detail immediately below (the "Longer Term Strategies"). As part of the Longer Term Strategies the Fund:
  - i. may invest up to 100% of the Fund's Net Asset Value in Underlying Funds that have a primary focus on providing exposure to companies, sectors and geographical regions that benefit from ongoing global megatrends.

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

A summary of some of the sub-themes of the abovementioned Megatrends prevalent in the world today are listed below. Potential Shareholders should be aware that the below headings listed 1-5 are examples of certain sub-themes of Megatrends and are for illustrative purposes only. It is important for potential Shareholders to note that what constitutes a Megatrend sub-theme today may not be classed as such in the future. This is not intended to be an exhaustive list and these sub-themes have the ability to change over time. Therefore, the Fund does not commit to definitively invest in each or all of these Megatrend sub-themes at any time:

- Ageing Population: The ageing of the world's population is widely considered one of the most enduring demographic shifts in human history. Companies which have a focus on improving developments in healthcare, developments in BioTechnology and shifting consumer trends leading to a longer life expectancy are in a position to benefit greatly from this trend;
- Oncology: With cancer diagnoses expected to increase in the next 20 years, companies which are committing capital to cancer research to develop better diagnostics to cure cancer are in a position to benefit from developments in the treatment of cancer;
- Water: Population growth, urbanization and water-intensive dietary changes are adding to rising industrial water demand. Companies at the forefront of new technologies required to accommodate increasing global demand for water are well placed to benefit from this trend;

- Electric & Autonomous Vehicles: With a shift away from internal combustion engine vehicles and movement toward the broad usage of autonomous vehicles, manufacturers of both electric and autonomous vehicles as well as their components and other companies in the supply chain all stand to be beneficiaries from this trend; and
  - Drones: Extensive growth in consumer and commercial drone usage means that companies involved in the production of these technologies will benefit from this evolving trend.
- II. may invest up to 20% of its Net Asset Value in units of Underlying Funds managed with absolute return investment strategies. These 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. These strategies are subject to strict liquidity, transparency, diversification, regulatory and risk management oversight and requirements; and
- III. may invest up to 20% of its Net Asset Value in units of Underlying Funds which provide an exposure to government or corporate debt securities of Investment Grade and/or non-Investment Grade (for example, treasury bonds, corporate bonds, government bonds, municipal bonds and commercial paper) with a fixed or floating rate.

At any time, the Fund may only have a maximum exposure of 30%, 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 instruments that make up the Initial Strategies and Longer Term Strategies, as mentioned above. The Manager will narrow down the universe of Underlying Funds on which investment due diligence will be carried out in order to establish which Underlying Funds are appropriate for inclusion in the Fund from an investment perspective. Due diligence will examine factors, including but not limited to, the investment policy and objectives, performance track record, investment strategy and process of the Underlying Funds, as well as the team structure and risk management processes employed by the Underlying Funds' investment managers. As part of this analysis (i.e. quantitative and qualitative analysis as further detailed below), the Manager will, amongst other things, check for any liquidity issues, investment risk issues and the impact of the proposed investments on the Fund. The Manager will at all times consider the risk/reward trade-off (i.e. the relationship between the amount of return gained on an investment and the amount of risk undertaken in that investment, where higher risk is associated with greater probability of higher return and lower risk with a greater probability of smaller return) associated with any investment/proposed investment and will attempt to achieve a satisfactory balance of risk and reward, in line with the Fund's investment objective. The Manager may seek to benchmark any potential investment under analysis against other opportunities in the marketplace, in order to ascertain the relative merits of the investment opportunity. Both quantitative and qualitative analysis will be considered in the evaluation, selection and on-going monitoring of Underlying Funds and their investment managers:

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

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

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

Any Fund assets directly held by the Fund (i.e. not held through Underlying Funds) will be listed or traded on Recognised Markets as set out in Schedule I of the Prospectus entitled "Recognised Markets". 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 "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.

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

**The Fund may engage in FDI for the purposes of hedging, risk reduction and efficient portfolio management as more particularly described below.**

The expected effect of the use of FDI will be to reduce inherent risks affecting the Fund's investments and/or to reduce cost, or generate additional capital or income for the Fund.

The use of derivatives for the purposes outlined above and below may expose the Fund to the risks disclosed in the "Risk Factors" section of the Prospectus. Conflicts of Interest in respect of the Fund are disclosed in the section of the Prospectus entitled "Conflicts of Interest".

#### *Currency Forwards*

Currency forwards may be used for the purpose of hedging currency exchange risk resulting from investments of the Fund being denominated in currencies other than the Fund's Base Currency.

#### *Options*

The Fund may use listed put and/or call options on equity indices. The Fund may sell call options and sell put options on equity indices in order to generate additional income and/or reduce costs for the Fund in the form of premiums received from counterparties.

The Fund may buy put options to hedge against the risk of loss from general equity market movements to which the Underlying Funds are exposed. These options, by permitting the Fund to sell investments at a fixed price, protect the value of the Fund's portfolio in circumstances of a selloff and decline in equity markets generally.

Any listed options that the Fund may either buy or sell will be listed on a Recognised Market as set out in Schedule I of the main body of the Prospectus.

#### *Exposure to Indices:*

The Fund may take exposure to equity indices through the use of listed options as outlined above. Such exposure to indices, if any, will comply with the conditions and limits set down in the Central Bank's guidance entitled "UCITS Financial Indices". It is not currently 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 the abovementioned asset classes that the Fund will gain an exposure to in accordance with its investment

policy. Such indices will be rebalanced on a periodic basis, usually at least annually. Such rebalancing is not expected to have a material effect on the costs incurred within the index. If the Manager becomes aware that an index is insufficiently diversified under the UCITS risk diversification rules, then, the Manager will adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders. 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.

The Manager shall ensure all revenues from Efficient Portfolio Management techniques, net of direct and indirect operational costs, will be returned to the Fund. Direct and indirect operational costs and fees arising from Efficient Portfolio Management techniques (which shall not include hidden revenue) will be paid to the counterparty, who shall be identified in the ICAV's financial statements, who may or may not be related to the ICAV, the Manager or the Depositary.

### *Global Exposure and Leverage*

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

### **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. The Fund is not designed for investors who need current income.

**SFDR Classification:** The Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex II at the end of this Supplement.<sup>1</sup>

### **SFDR Disclosure**

When assessing the Sustainability Risk associated with the Fund's underlying investments, the Manager is attempting to understand the likelihood of the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition (see definition of Sustainability Risk in the main body of the Prospectus). **While the Manager integrates Sustainability Risk into the Fund's investment decision making process as described below, the output of such Sustainability Risk integration is not the determining factor considered in the investment decisions of the Manager in respect of the 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 high or low levels of Sustainability Risk.**

The Fund integrates Sustainability Risk into its investment decision making process as summarised below:

- (i) Prior to acquiring investments on behalf of the Fund, the Manager uses Sustainability Risk metrics of a third party data service provider in order to assess the relevant investment against Sustainability Risk and to identify how vulnerable the investment is to such risks; and
- (ii) The Manager also assesses 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 lower prospect of being impacted by Sustainability Risk given that the Fund falls within the meaning of Article 8 of the SFDR. To the extent that a Sustainability Risk occurs, there may be a sudden, material negative impact on the value of an investment, and hence there may be a material negative impact on the Net Asset Value of the Fund. Such negative impacts may result in an entire loss of value of an investment. The Manager acknowledges that the Fund's exposure to Sustainability Risks is changeable and shall keep the Fund's exposure to these risks under periodic review. Where the Manager considers, as a result of such a review, that the Fund's approach to the management of Sustainability

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<sup>1</sup> The Fund currently follows a fund of funds investment approach and can invest principally in UCITS or other investment funds that are eligible for investment by a UCITS as set out in the Prospectus and this Supplement. The Manager therefore relies on data provided by the investment managers of the Underlying Fund investments when calculating the minimum percentage proportion of sustainable investment of the Fund and when calculating the percentages required in the section of Annex II dealing with the planned asset allocation of the Fund.

Risks is to materially change, these disclosures will be updated accordingly.

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

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

**Base Currency:** US Dollar.

### 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	12 October 2019 – 24 October 2019	Euro	No	No	€1,000 / €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.

### 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) of each Share Class

During the Subscription Period	Up to 0.20%
After the Subscription Period up to the end of year 1	Up to 0.30%
After the end of year 1 up to the end of year 2	Up to 0.70%
After the end of year 2 up to the end of year 3	Up to 1.05%
After the end of year 3 up to the end of year 4	Up to 1.40%
After the end of year 4	Up to 1.85%

#### *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 costs of establishing the Fund, obtaining approval from any authority, filing fees, the preparation and printing of this Supplement, marketing costs and the fees of all professionals relating to it, which are estimated not to exceed €20,000 will be borne by the Fund and amortised over the first five years of the Fund's operation (or such other period as may be determined by the Directors in their discretion).

#### *Sales Charge*

Up to 4% 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.**

#### **Risk Factors**

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

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

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

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

**Product name:** FAM MEGATRENDS TARGET OCTOBER 2024

**Legal entity identifier:** 635400DJYLXDTL2IUL43

## 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 will make a minimum of **sustainable investments with a social objective:** \_\_\_%

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 10% 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 promotes E/S characteristics, but **will not make any sustainable investments**

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



The environmental and/or social characteristics of this product include:

**a. Minimum investment in funds in scope of Article 8 and 9 of the SFDR**

The Fund will invest a minimum of 90% in Underlying Funds which fall within the meaning of either Article 8 or Article 9 of the SFDR, which means, that at a minimum, the majority of the Underlying Funds which the Fund holds promote environmental and social characteristics while investing in companies which follow good governance practices.



**b. Positive Screening**

Consideration of ESG factors are a key element of portfolio construction/fund selection. Portfolio managers will take a holistic approach which includes the analysis of ESG factors as part of their overall risk adjusted valuation assessment. This supports the overall promotion of investment in funds which the Manager deems desirable on ESG grounds. By incorporating positive ESG factors as part of the overall portfolio construction/fund selection, the Fund through its investments supports a tilt towards investment in Underlying Funds that have a more positive impact on the environment or society at large.

**c. Fund Level ESG Scoring**

A monthly independent analysis and classification of the Fund's ESG score is performed internally by the Manager. A minimum ESG scoring threshold is applied at Fund Level to ensure that the Fund's ESG score 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 serves to highlight a minimum Fund level ESG score and promotes engagement and challenge of portfolio managers on ESG topics.

No reference benchmark has been designated for the purpose of attaining the environmental or 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 indicator;

- i. The percentage of the Fund portfolio made in sustainable investments;
- ii. the percentage of the Fund's Underlying Fund holdings rated A or above by MSCI ESG Manager (or another corresponding rating from a similar rating provider).

● ***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?***

The objectives of the sustainable investments that the Fund intends to make is to promote environmental and/or social characteristics. On the basis that the Fund is currently following a fund of funds investment approach, the objectives of the sustainable investments that the Fund partially intends to make is linked to the sustainable investments made by the Underlying Funds. The Fund will seek to make investments in Underlying Funds that commit/partially commit to invest in sustainable investments and who have a process for ensuring that their sustainable investments are:

- a. Made in investee companies that demonstrate good governance;
- b. Made in a manner that demonstrates that they do no significant harm to other environmental objectives; and
- c. Made in investee companies that make a positive contribution towards an environmental or social objective. The Fund may allocate between Underlying Funds which make sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

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

***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?***

The sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective based on the policies adopted by the relevant Underlying Fund investment managers. These policies are considered as part of the Manager's initial and ongoing investment due diligence procedures and are assessed for alignment with the indicators set out in Table 1 and any relevant additional indicator from Tables 2 and 3 of Annex I of the Delegated Regulation [

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

Principal adverse impact ("PAI") indicators are calculated at both the Fund level and the Underlying Fund level. The results will be compared with that of a chosen proxy benchmark representative of the Fund's investment universe and/or peers. These calculations will be used as the basis of assessment of adverse impacts on sustainability factors in order to determine whether the Manager can improve at Fund level and/or where Manager can engage with Underlying Fund investment managers to improve at the Underlying Fund level. For example, Manager may engage on disclosure if a certain metric is materially misaligned with that of the chosen proxy and/or peers.

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

The sustainable investments which the Fund makes in the Underlying Funds and their alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are assessed in the following ways;

1. Via PAI monitoring of the following indicators;
  - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
  - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
2. Through engagement with the Underlying Fund investment managers to ensure that the sustainable investments that the Underlying Funds makes are:
  - a. Made in investee companies that demonstrate good governance:
  - b. Made in a manner that demonstrates that they do no significant harm to other environmental objectives; and
  - c. Made in investee companies that make a positive contribution towards an environmental or social objective.

**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.

*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 Fund is being structured as a Fund giving a return to investors at the Maturity Date. The Fund is organised in a manner that it has two separate investment objectives for different time periods in the Fund’s life, as set out below. Please refer to the supplement to the Prospectus titled “FAM Megatrends Target October 2024” (the “Supplement”) for definitions of “Maturity Date” and “Subscription Period”.

1. 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 up to 100% of its Net Asset Value in units of Underlying Funds, which provide an exposure to short, medium and/or long term instruments, such as certificates of deposit, commercial paper, treasury bills, banker's acceptances and short term 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”).
2. Following the Subscription Period, the investment objective of the Fund is to achieve long-term capital appreciation. The Fund seeks to achieve this investment objective in the following manner, as further set out in the Supplement:
  - By reducing the Fund’s allocation to Initial Strategies on a monthly basis (“Averaging Out”).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- 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 Underlying Funds as described in detail in the Supplement (the “Longer Term Strategies”).

As part of the Longer Term Strategies, the Fund may invest principally in Underlying Funds that provide exposure to equities issued by companies operating in sectors and geographical regions that benefit from ongoing global megatrends, as further described in the Supplement.

Although the Fund does not have a specific sustainable investment objective, the Manager has fully integrated its ESG Policy into the overall investment process, in particular, the portfolio construction process.

As part of the process to undertake appropriate due diligence on investments, the Manager will generally conduct a level of research on each Underlying Fund which will give the Investment Manager an understanding of the investments underpinning same. This includes a quantitative and qualitative assessment as detailed in the "Investment Objective and Policies" section of the Supplement which involves scrutiny relating to each Underlying Fund's approach to ESG factors and consideration of Sustainability Risks.

The Manager integrates these ESG factors and this Sustainability Risk assessment into its investment research process and its risk management process – both initially and on an ongoing basis for the duration of the period the Fund holds an investment or pursues a particular investment strategy.

For investment in Underlying Funds, exclusions of the Underlying Fund manager are assessed as part of the initial and ongoing due diligence 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 investment in funds in scope of Article 8 and Article 9 SFDR**

The Fund will invest a minimum of 90% in other funds which fall within the meaning of either Article 8 and/or Article 9 of the SFDR.

**b. Minimum Underlying Fund score**

80% of the Fund’s Underlying Fund holdings will be rated A by MSCI ESG Manager (or an other corresponding rating from a similar rating provider). If the Sustainable Finance Committee of the Manager determines that the Underlying Fund in question has mitigating reasons for its MSCI ESG score to have fallen below A, the Underlying Fund holding may be maintained within the Fund portfolio.

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

Not applicable

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

**Good governance** practices include sound management structures, employee relations, remuneration of

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance is assessed for Underlying Funds through engagement with the Underlying Fund manager via due diligence.

In addition, ensuring that a minimum of 90% of the portfolio is invested in funds which fall within the meaning of Article 8 or 9 of the SFDR, demonstrates that the Manager is limiting the Fund's investment universe of Underlying Funds to focus on those investment funds that must only invest in investee companies that demonstrate good governance practices (in compliance with SFDR).



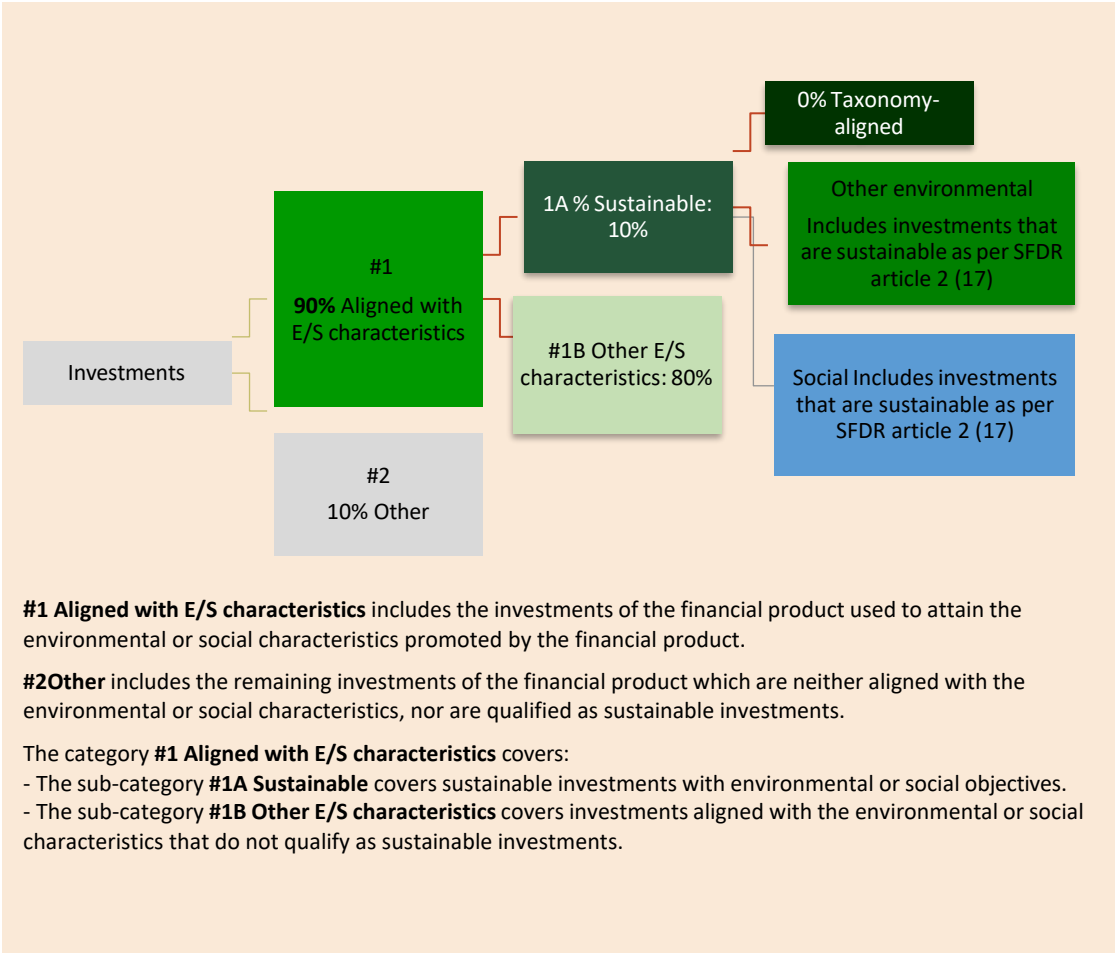
**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in

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

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 80% of the Fund’s Investments will be aligned with the environmental and/or social characteristics promoted by the Fund. The Financial product also comments to a minimum proportion of 10% in sustainable investments. 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 this appendix from time to time. There is no specific allocation among #1A. Calculations may rely on incomplete or inaccurate underlying fund manager data and/or company or third-party data.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**  
Derivatives are not used to attain the environmental or social characteristics promoted by this Fund.

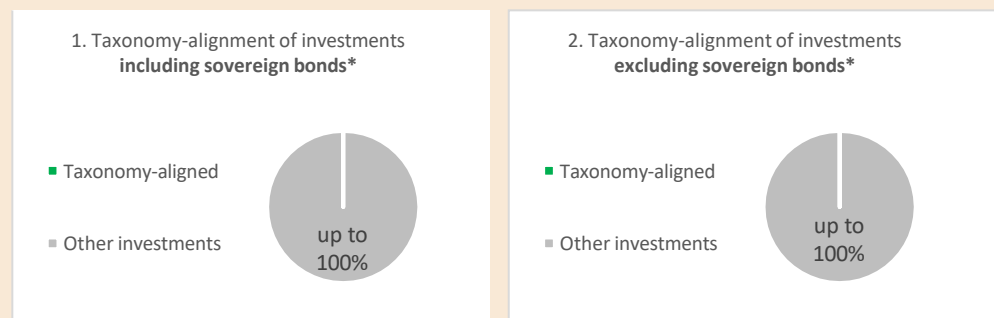


**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

As the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation, the Fund’s portfolio alignment with the Taxonomy Regulation is not calculated. It

follows that the Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation.

*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

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

● **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.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**  
10%\*.



**What is the minimum share of socially sustainable investments?**  
10%\*

\*The Fund commits to invest at least 10% of its assets in sustainable investments. Within this overall commitment, there is no prioritisation of environmental and/or social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



**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 managers 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?**

**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.

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

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

N/A

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

N/A

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

N/A

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

N/A



### **Where can I find more product specific information online?**

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

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