

Supplement

CFM Quant Sustainable Absolute Return Fund

25 January 2022

CFM UCITS ICAV

An open-ended Irish collective asset-management vehicle and an umbrella fund with segregated liability between sub-funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the Regulations.

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1 Important Information

This Supplement contains information relating specifically to CFM Quant Sustainable Absolute Return Fund (the "**Fund**"), a sub-fund of CFM UCITS ICAV (the "**ICAV**"), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the Regulations.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 25 January 2022 and the Addendum to the Prospectus (as may be amended from time to time, together the "Prospectus").

The Fund is suitable for investors seeking long-term capital growth and who are prepared to accept a moderate level of volatility, as described in this Supplement. All investors in the Fund must be able to afford to set aside the invested capital for the medium to long term.

Due to the higher than average degree of risk as a consequence of the Fund's ability to invest in financial derivative instruments for investment purposes which may increase the volatility of the Fund, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

As the price of Shares in the Fund may fall as well as rise, the Fund is not a suitable investment for an investor who cannot sustain a loss on their investment. A typical investor should have an investment horizon of 5 years or more and should be prepared to accept a moderate level of volatility. This is not a guide to the future volatility of the Fund which may increase or decrease over time. Investors may also refer to the KIID for the most up-to-date SRRI measurement.

The Fund may invest in Financial Derivatives Instruments ("FDI") for investment purposes, for hedging purposes and for efficient portfolio management purposes. Investors should note that the Fund invests principally in FDI. This may expose the Fund to particular risks involving FDI. (See "Borrowing, Risk Management and Leverage; Leverage" below for details of the leverage effect of investing in FDI) Please also refer to "Derivatives Risk" in Appendix III to the Prospectus (entitled "Risk Factors").

Investors should read and consider section 4 of the Supplement and Appendix III to the Prospectus (entitled "Risk Factors") before investing in the Fund.

It should be noted that, in certain circumstances, dividends may be declared out of the capital of the Fund. Please refer to "Dividend Policy" below for further details. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved by foregoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.

2 Definitions

| | |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Base Currency" | means Euro (€); |
| "Business Day" | means any Weekday on which banks are open for business in the Republic of Ireland and the State of New York, USA; |
| "Dealing Day" | means each Valuation Day; |
| "Dealing Deadline" | means 11.00a.m. (Irish time), one (1) Business Day preceding the relevant Dealing Day, or such other time as may be determined by Directors and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point; |
| "Government Obligations" | means debts securities such as bonds, which are debt securities with a maturity above 10 years and notes which are debt securities with a maturity below 10 years; |
| "Net Capital Movement" | means, for each Dealing Day, the total of: (i) the increase in the Net Asset Value of the Fund attributable to additional subscriptions by Shareholders effected on such Dealing Day minus (ii) the decrease in the Net Asset Value attributable to any repurchases effected on such Dealing Day. |
| "Settlement Date" | in respect of subscriptions and redemptions respectively shall have the meaning outlined in the section entitled "Key Information for Buying and Selling Shares" below; |
| "Valuation Day" | means each Business Day; |
| "Valuation Point" | means 10.00p.m. (Irish time) on the relevant Valuation Day; and |
| "Weekday" | means any day that is not a Saturday or Sunday. |

Unless indicated otherwise, all other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

3 Information on the Fund

3.1 Investment Objective, Investment Policies and Investment Strategy

(a) **Investment Objective**

- (i) The investment objective of the Fund is to achieve long-term capital appreciation.
- (ii) Investors should be aware that their capital is at risk and that there is no guarantee that the investment objective will be achieved over any time period.

(b) **Investment Policies**

In seeking to achieve the Fund's investment objective, the Fund will, directly or indirectly through financial derivative instruments ("**FDIs**") for both investment and hedging purposes, primarily trade equities (please see the sub-section "Investment Universe" below and section 3.3 for further information).

The Fund will therefore be significantly invested in FDIs for investment and hedging purposes at any one time. For hedging purposes the Fund may use FDIs to seek to hedge against fluctuations in the values of its portfolio positions as a result of changes in currency exchange rates, as further described in section 3.4 below and the section of the Prospectus entitled "Financial Derivative Instruments".

The Fund may also invest in other collective investment schemes and ancillary liquid assets, as further detailed in sub-section (e) below.

Investment Universe

The Manager determines the assets which comprise the Fund's investment universe from time to time, in accordance with the investment policies of the Fund set out herein, the investment and borrowing restrictions applicable to the Fund referred to in section 3.2 and based on other relevant factors such as their liquidity, the costs of trading, available trading infrastructure, tax, legal and regulatory issues.

In addition to investing in equities and equity-related securities (i.e. shares, including common and preferred stock and rights), the Fund may also engage in transactions in the following FDIs (as described in section 3.3): Equity Swaps, Currency Forwards, Currency Swaps and Equity Index Futures.

There is no geographic or industry limitation to the investment universe and investment may be made in what the Manager deems emerging markets and the Fund will not invest more than 20% of its Net Asset Value in such emerging markets. Please refer to Appendix II of the Prospectus for further detail with regard to permitted markets (the "**Permitted Markets**"). The securities to which the Fund will have exposure shall primarily be listed or traded on a regulated market (subject to a 10% limit in unlisted securities).

Investments in Collective Investment Schemes

The Fund may invest in money market funds for cash management purposes (including money market funds domiciled in Ireland which are authorised as UCITS by the Central Bank). Investment in collective investment schemes will be in accordance with the Central Banks' requirements.

(c) **Investment Strategy**

The Fund aims to achieve its investment objective by investing according to the CFM Quant Sustainable Absolute Return Program (the "**Program**") designed by the Manager. The Fund is a quantitative trading fund, meaning that the Program executes trades for the Fund based on models and mathematical formulas, which are systematic in nature, investing in assets drawn from the Fund's investment universe (see sub-section 3.1(b) above for further details).

The Manager determines the asset classes comprising the Fund's investment universe based on the results of its systematic research process, which consists of the production phase and the processing phase detailed below. After the asset classes have been identified, the instruments best suitable to give exposure to these asset classes are selected. The suitability is based on the liquidity and operational efficiency of such instruments.

The Program is composed of a series of systematic trading models which invest in a well-diversified portfolio of equities and FDIs, as described below. The models used by the Program apply algorithms which are proprietary to the Manager that seek to predict the future prices and risks of financial instruments. The models have been developed, tested and validated using the Manager's proprietary tools. In the production phase of the Program, the models are fed with market data (such as price and volatility), fundamental data (such as company financial information) and sustainability data (for example, issuers with low or reducing carbon emissions) that is collected electronically from several providers and markets.

Sustainability considerations are fully integrated into the investment process and used to evaluate companies' behaviour and impact in relation to their significant stakeholders and efforts with sustainability. The Manager will use third-party sustainability data from sustainability data service providers (which at the date of this Supplement may include, but are not limited to, Carbon4Finance, TruCost and MSCI), who assess risks relating to climate change, natural resource constraints, and broader sustainability factors and the impact on issuers (whether generalist or specialized in environmental topics such as greenhouse gas emissions and/or biodiversity) in the same way as it will use other types of data, meaning that it is one of the factors analysed by the Program when generating signals and selecting investments.

For the avoidance of doubt, such service providers provide advice and recommendations only, full discretion in asset selection is retained by the Manager.

The Manager will seek to infer positive, neutral and/or negative signals from the ways that companies have been or are addressing sustainability concerns, including but not limited to:

- emissions and emission reduction targets by the company itself;
- emissions across the company's supply chain (upstream) and, when applicable, downstream; and
- absolute or relative exposure of the company to asset impairment and/or other financial losses in case of severe climate change related events (e.g. flooding, heatwave or drought).

Sustainability signals will be used in combination with the other trading signals generated by the Program in order to establish long and short positions the Fund will

enter into. The more negative a score on a given indicator on a given security at a certain point in time, the more it is at risk of being perceived as insufficiently sustainable, and everything else being equal, the more likely that the Fund may run a short position on that security.

Portfolio decisions will be taken based on a combination of the scores derived from or related to the trading signals generated by the Program's different investment approaches (as detailed in sub-section (d) below). The relative impact of each score to the portfolio investment decision will be dependent on the score's expected power to generate additional risk-adjusted gains. This does not exclude that a security with a negative score under one of the investment approaches could be held on the long side, for instance if it scores positively enough under other investment approaches. As an example, in the case of a security issuer which has sufficiently ambitious and realistic plans in place to address any material sustainability concerns, this could result in a strong positive signal being generated, and thus the relevant security may be held on the long side even if negative signals are generated in relation to such issuer under other investment approaches of the Program (i.e. current emission intensity level, momentum, quality or value).

The next phase of the Program involves the models processing the data and generating automated signals proposing a risk exposure relative to each traded financial instrument which relate to, inter alia, management of risk (leverage and volatility) of the Fund and to the management of the size of the Fund's position in a particular financial instrument. The portfolio construction mechanism, through the formation of a theoretically optimal portfolio using the Manager's proprietary algorithm, which analyses factors such as trading signals (i.e. signals that recommend the Fund to buy, sell or sell short different financial instruments) and the risk exposure described above, seeks to minimize risk and deliver an acceptable level of volatility (see section 3.5 below for further details). The optimal portfolio (which is a theoretical optimal portfolio which assumes there is ample liquidity and low transaction costs) determined by the Program may differ from time to time to the portfolio actually held by the Fund, for the reasons described below. The optimal position in each instrument is periodically re-assessed by the Program.

The optimal portfolio is compared with the portfolio of financial instruments which the Fund holds, generating orders when differences exceed tolerances which are automatically set by the Program in relation to expected gains for each theoretically optimal position. The tolerances are set to avoid trading on minor differences, as such trades would incur costs, but are not likely to contribute meaningfully to the performance of the Fund. If the comparison between the (theoretical) optimal portfolio and the actual portfolio the Fund holds shows differences that exceed the tolerances, then orders are generated and trades (based on such orders) are executed as described in the next paragraph. Therefore, the optimal portfolio may differ from the Fund's actual portfolio if either (i) the differences are so small that the tolerances are not exceeded and hence no orders are generated to correct such differences, or (ii) the trade execution process (see below) is not able to fill such orders (e.g. due to lack of liquidity in the market at the desired prices).

Trades are executed using an automated process developed by the Manager that seeks to execute the generated orders at the best available price. When placing orders in the market, the execution process takes into account a number of factors including liquidity, prices, cost and market structure. If the cost of execution is significant (as predefined by the Manager as part of the automated execution process) compared with the expected benefit of the trade (as analysed prior to accounting for the execution costs), the execution models will not execute.

The Fund trades the financial markets on a global basis focussing on Permitted Markets which provide sufficient liquidity and supporting infrastructure, i.e. recognised payment

systems, securities settlement systems and central counterparties. Trade execution is generally electronic in all asset classes using the Manager's proprietary execution platform, and is based upon execution models which seek to optimise the price at which the Fund buys or sells an asset, as well as the cost of processing such transactions. Trade execution for some assets (for example foreign exchange forwards) may however require manual processing to communicate the trade to the relevant market or broker. Prior to utilising manual trading for an instrument, the Manager bases the choice to proceed with manual trade execution on certain execution related factors, namely available execution methods and the impact on the quality of execution. For certain instruments, manual trading over electronic platforms or voice trading may be the only available execution method, whereas for other instruments the quality of execution improves (better prices) when traded by a trader as opposed to electronically.

(d) **Description of Program**

The Program is a quantitative, systematic program which builds a portfolio obtaining ultimate exposure to on a long or short basis to numerous equities by using a set of indicators (as detailed in sub-section (c) above) constructed by the Manager's proprietary methodology. The Program takes a view on which assets to hold long and short based on a combination of these indicators, also allowing the fund to have an exposure to broad-based market indices. The Fund is designed to be market-neutral on average. However, the overall exposure to the equity markets may be adjusted by the Manager over time.

The Program uses quantitative techniques to estimate the risk level of each asset and to size the positions accordingly. The Manager takes market liquidity and transaction costs into account to manage the turnover and concentration of the portfolio.

This Program may invest directly in securities, primarily equities, as well as gain exposure to them by investing in FDIs, primarily Equity Swaps. The trading decisions are the result of an automated trading system fed with historical market, corporate and economic data. The Program uses the following investment approaches:

- sustainability indicators, as set out in sub-section (c) above (companies with high or low sustainability related performance relative to their sector peers);
- momentum (systematically comparing the current performance of the instrument to the past performance across different pre-defined time periods, depending on the relevant instrument and prevailing market conditions. If a particular instrument has performed well in the past, it can be expected that such trend may last longer or may not decline abruptly (i.e. positive momentum) and therefore that a long exposure to that instrument should produce a positive return. Similarly, if an instrument has performed poorly, it can be expected that such negative trend may last longer or may not decline abruptly (i.e. negative momentum) and therefore that a short exposure to that instrument should produce a positive return);
- quality (assessing stock quality using fundamental data regarding the issuer, such as profits, accruals, cash flow based on these and other information in the issuer's financial statements, which seeks to measure the credit quality of such issuers); and
- value (long positions in value stocks that are assessed to be relatively cheap in relation to their book value, which is the accounting value of the stock, and short positions in growth stocks, which are relatively expensive in comparison to their book value; these sub-strategies seek to take advantage of the relative mispricing between, and the relationship between the prices of, the value stocks and growth stocks in relation to their book values, assuming such mispricing will be corrected over time).

(e) **Cash Management and Ancillary Liquid Assets**

As the use of FDI's is an important part of the approach of the Fund, the Fund may at any one time have significant cash balances to invest. Such cash balances may be invested in money market funds and money market instruments, including, but not limited to, certificates of deposit (including demand deposits and fixed term deposits of banks which are considered investment grade or above by the principal rating agencies), fixed or floating rate notes, government or corporate bonds and fixed or variable rate commercial paper (which are considered investment grade or above as rated by the principal rating agencies) and in cash deposits denominated in such currency or currencies as the Manager may determine. The residual maturity of each investment described in this paragraph may not exceed one year. Such investment is made in order to manage the cash held by the Fund which is required for investment in derivatives outlined above.

Though investment in money market funds and money market instruments is not a primary investment focus of the Fund, the Fund may at times be invested in money market funds, money market instruments or other open-ended collective investment schemes permitted under the Regulations (which provide exposure to money market instruments or other liquid assets referred to in the previous paragraph, in order to manage the cash held by the Fund). Investment shall be subject to the limits set out in the section below entitled "Investments in Collective Investment Schemes" and such collective investment schemes shall listed or traded on a Permitted Market.

The Fund may, to support its FDI positions or in circumstances of extreme volatility or if market factors require and if considered appropriate to the investment objective of the Fund, invest up to 100% of the Fund's Net Asset Value in cash, cash equivalents (including, but not limited to, term deposits), reverse repurchase agreements (please refer to the section of the Prospectus entitled "Efficient Portfolio Management" for further details) and money market instruments (including but not limited to Government Obligations).

3.2 Investment Restrictions

The ICAV and the Fund adheres to the restrictions and requirements set out under the Regulations (such Regulations, as may be amended from time to time). These are set out in Appendix I to the Prospectus. In particular, any investment in other open-ended collective investment schemes ("**CIS**") shall not exceed in aggregate 10% of the Net Asset Value of the Fund. The Fund will only invest in AIF CIS that satisfy the conditions as set out in the Central Bank Rules.

In accordance with the Central Bank Rules, the Fund will apply for a derogation from some of the investment restrictions for six months following the date of the approval of the Fund pursuant to the Regulations but will observe the principle of risk-spreading.

3.3 Use of FDI for Investment and Currency Hedging Purposes

As described in the sections above entitled "Investment Policy", the Fund invests in FDIs for investment and hedging purposes. It is anticipated that the Fund will be able to have a long or short exposure to equity and, for hedging purposes, currency underlyings through the use of some or all of the below FDIs. Depending on market conditions, the Fund may invest in all the FDIs listed below or may select one or more FDIs to invest in from the list below.

With regard to OTC FDI, the Fund may enter into OTC FDI with Eligible Counterparties. The Fund will only enter into OTC FDIs on behalf of the Fund with Eligible Counterparties which are subject to prudential supervision and are within categories approved by the Central Bank as set down in the Regulations and Central Bank Rules or otherwise provided for in the Prospectus.

It is not possible to comprehensively list in this Supplement all of the Eligible Counterparties as they may change from time to time. Eligible Counterparties would typically be required to be leading institutions in the particular type of OTC FDI and have good credit worthiness based on financial ratios credit spread, rating, stock performance, etc. The credit risk attributable to such counterparties is monitored by the Manager in order to perceive any material degradation and that, when possible, relevant actions are taken in a timely manner. Since the underlying assets will either be single stocks or currencies, the counterparty to any OTC FDI will not have any discretion over the composition or the management of the Fund.

Forwards:

A forward contract locks in the price at which an asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract.

The Fund shall enter into FDI with Approved Counterparties on an OTC basis, or shall invest in FDI listed or traded on a Permitted Market. The use of FDI will be subject to the Fund's investment objective and to the provisions set forth in Appendix I and II to the Prospectus.

Currency Forwards: The Manager may employ currency forwards for the purpose of hedging the foreign exchange exposure of the Fund or a Class.

Swaps:

A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time. Conceptually a standard receiver swap in which a fund receives a fixed rate of interest and pays a floating rate of interest is analogous to buying a fixed coupon security and borrowing the money at the floating rate to pay for it. A payer swap reverses this and is analogous to short selling a fixed coupon security and placing the money raised from the sale on deposit at the floating rate.

One leg or side of the swap sets the market price for the swap at which the market is indifferent to exchange each of the cash flow or return series. At this market level each leg of the swap has an equal and opposite value and the value of the swap in total is zero. Market movements may change the value of one leg of the swap relative to the other and the swap overall gains a positive or negative value.

Typical cash flow and return series exchanged in a swap include: Fixed interest rate, total return of an instrument or index and floating interest rates. Swap legs can be denominated in the same or a different currency.

Currency Swaps: The Manager may enter into currency swaps for the purpose of hedging the foreign exchange exposure of the Fund.

Equity Swaps: The Manager may enter into equity swaps as a means of gaining long or short exposure to equities. It may also enter into equity swaps to hedge the equity exposure of the Fund.

Equity Index Futures:

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

Equity index futures will be utilised by the Fund to manage the risk level of the portfolio in relation to the movements of the equity markets and will at all times be in compliance with the

requirements of the Central Bank. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date.

Indices:

The Fund, through the use of equity index futures, may gain exposure to indices such as, the S&P500, the FTSE 100, the FTSE 250, the NASDAQ, the EuroStoxx, the S&P/ASX 200, the DAX, the Hang Seng, the KOSPI 200, the NSDAQ 100, the MSCI Taiwan, the SMI and the Nikkei 225 indices. The Fund may gain exposure to additional indices which comply with the Regulations, Central Bank Rules and the ESMA Guidance on ETFs and other UCITS issues, any indices to which the Fund gains exposure shall be disclosed in the Fund's annual reports.

The Fund will only gain exposure to such indices for purpose of managing the risk levels of the portfolio and not for speculative purposes.

The indices will each typically be rebalanced at least annually (further details of the frequency of rebalancing of each of the indices are set out below). The rebalancing frequency of the indices in which the Fund will invest will not materially impact on the strategy of the Fund or on transaction costs associated with the Fund. Where the weighting of any particular component in a financial index exceeds the permitted UCITS investment restrictions after rebalancing, any indirect exposure to such financial index will be disposed of by the Fund within a reasonable timeframe taking into account the interests of Shareholders to ensure that all regulatory requirements continue to be satisfied. Further detail with regard to the types of indices to which the Fund will gain exposure is as follows:

The S&P500 is widely regarded as a gauge of large capitalization US equities and includes 500 companies, capturing 80% of available market capitalization. Information on this index may be found at <http://www.spindices.com/indices/equity/sp-500>.

The FTSE 100 comprises the 100 most highly capitalised blue chip companies listed on London Stock Exchange. It is used extensively as a basis for investment products, such as derivatives and exchange traded funds. The FTSE 250 comprises mid-capitalised companies not covered by the FTSE 100, and represents approximately 15% of UK market capitalisation. Information on these indices may be found at <http://www.ftse.com/products/indices/uk>.

The NASDAQ is an American stock exchange, and is the second largest stock exchange by market capitalization in the world. It is a diversified worldwide financial technology, trading and information services provider to the capital markets, serving businesses and investors from over 50 offices in 26 countries across six continents and in every capital market. To qualify for listing on the exchange, a company must be registered with the United States Securities and Exchange Commission (SEC), must have at least three market makers (financial firms that act as brokers or dealers for specific securities) and must meet minimum requirements for assets, capital, public shares, and its shareholders. More information can be found on this index at <http://www.nasdaq.com>.

The Eurostoxx is Europe's blue-chip index for the Eurozone, providing a Blue-chip representation of sector leaders in the European Union. The index covers 50 stocks from 11 Eurozone countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The EURO STOXX 50 Index is licensed to financial institutions to serve as underlying for a wide range of investment products such as Exchange Traded Funds (ETF), Futures and Options, and structured products worldwide. Additional information on this index may be found at <http://www.stoxx.com>.

The S&P/ASX 200 is the primary investment benchmark for the Australian stock market and contains the top 200 S&P/ASX listed companies by way of float-adjusted market capitalisation. The high percentage of market representation gives the index a dual function: To provide an accurate benchmark for the stock market as a whole and give institutional investors a highly

liquid and tradable index. Additional information on this index may be found at <http://www.asx.com.au/products/sp-asx200-vix-index.htm>.

The DAX Index tracks the largest and most important companies (blue chip) on the German equities markets. It is comprised of the 30 largest and most liquid companies on the Frankfurt Stock Index in the Prime standard segment. The index represents around 80% of the aggregated prime standard's market capitalization. Additional information on this index may be found at <http://dax-indices.com/EN/MediaLibrary/Document/Factsheet%20DAX%20USD.pdf>.

The Hang Seng Index (HSI) is a free-float capitalization-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four sub-indices: Commerce and Industry, Finance, Utilities, and Properties. Additional information on this index may be found at http://www.hsi.com.hk/HSI-Net/static/revamp/contents/en/dl_centre/factsheets/FS_HSIe.pdf.

The KOSPI 200 Index is a capitalization-weighted index of 200 Korean stocks which make up 93% of the total market value of the Korea Stock Exchange. Additional information on this index may be found at https://eng.krx.co.kr/m1/m1_4/m1_4_2/m1_4_2_2/UHPENG01004_02_02_01.html.

The MSCI indices are widely recognised indices that are free-float adjusted market capitalization weighted indices that are designed to track different equity market performances of listed securities across different regions and globally. Additional information on this index may be found at <https://www.msci.com/indexes>.

The SMI is a blue chip index which is comprised of the 20 largest Swiss stocks. The SMI represents about 85% of the total capitalisation of the Swiss equity market. It is a free-float-adjusted index. Additional information on this index may be found at http://www.six-swiss-exchange.com/indices/data_centre/shares/smi_en.html.

The Nikkei 225 index is a price-weighted equity index, which is comprised of 225 stocks selected from domestic common stocks in the first section of the Tokyo Stock Exchange. Additional information on this index may be found at http://indexes.nikkei.co.jp/nkave/archives/file/nikkei_stock_average_factsheet_en.pdf.

The Hong Kong Futures Exchange merged with the Hong Kong Stock Exchange and the Hong Kong Securities Clearing Company to form the Hong Kong Exchanges and Clearing Limited (HKEX). Information on this index may be found at <https://www.hkex.com.hk/eng/prod/drprod/hshares/hhifut.htm>.

The CAC 40 is a French stock market index tracking the 40 largest French stocks based on market capitalisation on the Paris Bourse. The CAC 40 is used as a benchmark index for funds investing in the French stock market and also gives a general idea of the direction of the Paris Bourse. Information on this index may be found at <https://derivatives.euronext.com/en/products/index-futures/FCE-DPAR>

The FTSE/JSE Top 40 Futures is a South African stock market index. Information on this index may be found at <https://www.investing.com/indices/south-africa-40-futures>.

The AEX index is a stock market index composed of Dutch companies that trade on Euronext Amsterdam, formerly known as the Amsterdam Stock Exchange. Information on this index may be found at <https://derivatives.euronext.com/en/products/index-futures/FTI-DAMS>.

SGX Nifty is a derivative of the NIFTY index, which is a diversified index composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India, traded officially on the Singapore stock exchange. Additional information on this index may be found at <https://sgxnifty.org/>.

The S&P TSX 60 Index is a capitalization-weighted index of the 60 largest and most liquid stocks listed on the Toronto Stock Exchange. The S&P/TSX 60 addresses the needs of investment managers who require a portfolio index of the large-cap market segment of the

Canadian equity market. Additional information on this index may be found at <https://us.spindices.com/indices/equity/sp-tsx-60-index>

The IBEX 35 Index is a capitalization-weighted index comprising the 35 most liquid Spanish stocks traded in the continuous market. Additional information on this index may be found at <http://www.meff.es/asp/Comun/Pagina.aspx?l1=Financiero&f=FuturosIBEX35&id=ing>

The S&P MidCap 400 is a value-weighted index that provides investors with a benchmark for mid-sized companies from all major industries. Electronically traded E-mini S&P MidCap 400 futures trade at a portion of the standard contract size, allowing for an accessible and flexible means to manage exposure to the underlying index. Additional information on this index may be found at <http://www.cmegroup.com/trading/equity-index/us-index/e-mini-sandp-midcap-400.html>

The TOPIX Index is the most broadly based Japanese index, covering all companies within the First Section of the TSE. Additional information on this index may be found at <http://www.jpx.co.jp/english/derivatives/products/domestic/topix-futures/01.html>

The MIB (Milano Italia Borsa) index is the benchmark stock market index for the Borsa Italiana, the Italian national stock exchange. The index consists of the 40 most-traded stock classes on the exchange. Additional information on this index may be found at <https://www.investing.com/indices/italy-40-futures>

The FTSE China A50 Index is the benchmark for investors to access the China domestic market through A Shares – securities of companies incorporated in mainland China and traded by Chinese and institutional investors. It comprises the largest 50 A Share companies by full market capitalisation of the securities listed on the Shanghai and Shenzhen stock exchanges. Additional information on this index may be found at <https://www.investing.com/indices/china-a50>

The Russell 2000 Index is the recognized benchmark measuring the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index, representing approximately 10% of the total market capitalization of that index. It includes 2000 of the smallest securities based on a combination of market cap and current index membership. Additional information on this index may be found at <https://www.theice.com/products/86/Russell-2000-Index-Mini-Futures>.

The MSCI Emerging Markets Index captures large and mid-cap representation across 23 Emerging Markets (EM) countries. With 837 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. Additional information on this index may be found at <https://www.theice.com/products/31196851/mini-MSCI-Emerging-Markets-Index-Future>.

The use of derivatives entails certain risks to the Fund including those set out under “Risk Factors” in Section 4 of this Supplement. Investors are also encouraged to read the section of the Prospectus entitled “Financial Derivative Instrument” which describes the types of derivatives which the Company may use, the purposes of their intended use and their effect.

3.4 Efficient Portfolio Management Techniques and Securities Financing Transactions

The Fund may also engage in transactions in FDI for the purposes of efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time.

It is intended that the Fund will be managed to operate in normal circumstances with full flexibility from the perspective of long/short exposure (that is, all the assets of the Fund (i.e.

100%) could be in long positions at any given time and/or all the assets of the Fund (i.e. 100%) could be in short positions at any given time). The maximum notional long and/or short exposure of the Fund is expected to be 600%. Short positions will only be taken through the use of FDIs.

Having the facility to take short exposure to certain investments gives the Fund the ability to profit when the relevant investments fall in value. By maintaining a blend of both long and short positions, the Fund may also seek to reduce its exposure to the changeable nature of market prices (i.e. whether prices are rising or falling).

The Manager does not generally intend to use repurchase/reverse repurchase agreements and securities lending other than for efficient portfolio management (including in accordance with the collateral policy of the Fund as set out in section 4.8 of the Prospectus). Therefore, the Fund may engage in reverse repurchase agreements in order to invest excess cash. Any such transactions will be in accordance with the requirements of SFTR and the Central Bank Rules. Any type of assets that may be held by the Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions.

There is no restriction on the proportion of assets that may be subject to Securities Financing Transactions (i.e. a maximum of 100% of the Fund's assets), but the Manager expects that approximately 50% of the Fund's Net Asset Value may be subject to Securities Financing Transactions. Although the Fund is not expecting to enter into such transactions prior to acquiring considerable size, investors should expect that a substantial share of collateral held by the Fund may be subject to Securities Financing Transactions.

The Fund will apply "balance sheet hedging" in order to hedge the currency exposures of any Foreign Currency Classes (see sections 4.7 and 4.10 of the Prospectus for more detail).

Please refer to the section of the Prospectus entitled "Efficient Portfolio Management" for further details.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or securities financing transactions. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

The use of FDI and efficient portfolio management techniques for the purposes outlined above will expose the Fund to the risks disclosed in section 4 of this Supplement and Appendix III to the Prospectus (entitled "Risk Factors").

3.5 **Borrowing and Risk Management**

(a) **Borrowing**

The ICAV may only borrow on a temporary basis for the account of the Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Fund. In accordance with the provisions of the Regulations, the ICAV may charge the assets of the Fund as security for borrowings of the Fund. Repurchase/reverse repurchase agreements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

(b) **Risk Management**

The Fund may utilise FDI as referred to in the section headed "Use of Derivatives, Efficient Portfolio Management Techniques and Securities Financing Transactions" above.

As the Fund will engage in FDI to the extent that the commitment approach does not adequately capture the global exposure of the portfolio, the Manager considers that the Value at Risk ("VaR") methodology is an appropriate methodology to calculate the Fund's global exposure and market risk, taking into account the investment objectives

and policies of the Fund and the complexity of the FDI used. The VaR will be calculated daily.

VaR is the advanced risk measurement methodology used to assess the Fund's market risk. This leverage effect entails greater risk for investors.

Investors should be aware that VaR is a way of measuring the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The Fund could however be exposed to losses which are much greater than envisaged by VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage; rather, VaR is a statistical risk measure and the actual loss of a particular transaction or to the Fund overall may materially exceed the loss indicated by the use of VaR. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Fund will use the absolute VaR model whereby VaR shall not exceed 20% of the Net Asset Value of the Fund. The absolute VaR model is considered appropriate as the Fund does not define the investment target in relation to a benchmark.

When calculating the VaR daily the Manager will take into account the following quantitative standards:

- (i) The one-tailed confidence level will be 99%
- (ii) The holding period should be 20 business days
- (iii) The historical observation period will not be less than 1 year, however a shorter observation period may be used if justified, (for example, as a result of significant recent changes in price volatility)

The Fund will be leveraged as a result of its use of FDI and may therefore generate a notional exposure above 100% of the Net Asset Value of the Fund; leverage is calculated using a sum of the gross notionals approach. This calculation does not take into account any netting and hedging arrangements that the Fund may have in place at any time. The level of leverage (meaning increases to the Fund's exposure achieved by any method, and calculated based on the sum of the gross notional long and short exposure of the Fund, in accordance with the requirements of the Central Bank) is expected to be on average between 300% and 450%, but in certain circumstances the maximum notional long and/or short exposure of the Fund is expected to be up to 600% (as noted above in section 3.4), although there may be periods when the leverage will be materially below these levels.

The inclusion of FDI in the Fund's portfolio, will result in a significant contribution to the sum of notionals. Trades utilising FDI may significantly increase the notional leverage exposure of the Fund despite the fact that the volatility of these may in some cases be relatively low. Although the expected leverage of the Fund as a result of using such instruments is high, the price movement may be small.

Under normal market conditions, the volatility for the Fund is expected to vary between 7% and 30% per annum. ***Please note that the realized volatility of the Fund may exceed or fall below the expected volatility range. The Manager makes no representation or warranty that the Fund's volatility will remain within the expected volatility range.***

3.6 Cross Investing

Subject to the Central Bank Rules, where more than one fund is established within the ICAV, and if this is considered appropriate to the investment objective and policies of the Fund, the Fund may invest in the other funds of the ICAV. Any commission received by the Manager in

respect of such investment will be paid into the assets of the Fund. In addition, no Preliminary Charge, Repurchase Charge or Exchange Charge may be charged on the cross-investing. In order to avoid double-charging of management and/or performance fees, the Fund may not be charged a Management Fee or performance fee in respect of that part of its assets invested in other funds of the ICAV unless such investment in another fund is made into a Class of Shares that does not attract any Management Fee or performance fee. Investment may not be made by the Fund in a fund which itself cross-invests in another fund within the ICAV.

The Fund is not expected to invest in any other fund of the ICAV.

Please also refer to the section of the Prospectus entitled "Cross-Investment".

3.7 Key Information for Buying and Selling Shares

Class I Shares, Class SI Shares, Class MI Shares, Class IF Shares, Class SIF Shares and Class MIF Shares are available to any investor, but are more specifically designed for institutional and collective investment schemes.

Class M Shares are restricted to the Manager, its partners and employees, affiliates and the partners and employees of its affiliates as well as any fund organised for the purposes of a company savings plan for the benefit of the partners and employees of such entities.

Class N Shares are only available until 31 October 2021 or up to a maximum aggregate amount of subscriptions of Euro100m, whichever occurs first, thereafter Class N will be closed to further subscriptions.

Class P Shares are available to investors in certain limited circumstances when investing through Swiss, Dutch, Luxembourg, Belgian and British distributors, financial advisors, platforms or other intermediaries (together, the "**Intermediaries**") on the basis of separate agreement between the investor and an Intermediary and subject to prior approval of the Manager. Class P Shares are designed to comply with the restrictions on the payment of commissions set-out under the United Kingdom Financial Conduct Authority Handbook in relation to retail distribution review.

| Class | Initial Offer Period* | Initial Issue Price | Minimum Shareholding** | Minimum Initial Investment Amount** |
|---------|--------------------------------------------------------------------------------|---------------------|------------------------|-------------------------------------|
| I (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €10,000 | €10,000 |
| I (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF10,000 | CHF10,000 |
| I (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥1,000,000 | ¥1,000,000 |
| I (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £10,000 | £10,000 |
| I(AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$10,000 | AU\$10,000 |

| Class | Initial Offer Period* | Initial Issue Price | Minimum Shareholding** | Minimum Initial Investment Amount** |
|--------------|--------------------------------------------------------------------------------|----------------------------|-------------------------------|--------------------------------------------|
| I (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$10,000 | US\$10,000 |
| SI (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €30,000,000 | €30,000,000 |
| SI (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF30,000,000 | CHF30,000,000 |
| SI (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥3,000,000,000 | ¥3,000,000,000 |
| SI (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £30,000,000 | £30,000,000 |
| SI (AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$30,000,000 | AU\$30,000,000 |
| SI (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$30,000,000 | US\$30,000,000 |
| MI (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €150,000,000 | €150,000,000 |
| MI (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF150,000,000 | CHF150,000,000 |
| MI (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥15,000,000,000 | ¥15,000,000,000 |
| MI (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £150,000,000 | £150,000,000 |
| MI (AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$150,000,000 | AU\$150,000,000 |
| MI (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$150,000,000 | US\$150,000,000 |
| M (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | One Share | One Share |
| M (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | One Share | One Share |
| M (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | One Share | One Share |
| N (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €100,000 | €100,000 |
| N (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF100,000 | CHF100,000 |

| Class | Initial Offer Period* | Initial Issue Price | Minimum Shareholding** | Minimum Initial Investment Amount** |
|--------------|--------------------------------------------------------------------------------|----------------------------|-------------------------------|--------------------------------------------|
| N (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥10,000,000 | ¥10,000,000 |
| N (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £100,000 | £100,000 |
| N (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$100,000 | US\$100,000 |
| N(AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$100,000 | AU\$100,000 |
| P (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €10,000 | €10,000 |
| P (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF10,000 | CHF10,000 |
| P (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥1,000,000 | ¥1,000,000 |
| P (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £10,000 | £10,000 |
| P (AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$10,000 | AU\$10,000 |
| P (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$10,000 | US\$10,000 |
| IF (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €10,000 | €10,000 |
| IF (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF10,000 | CHF10,000 |
| IF (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥1,000,000 | ¥1,000,000 |
| IF (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £10,000 | £10,000 |
| IF (AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$10,000 | AU\$10,000 |
| IF (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$10,000 | US\$10,000 |
| SIF (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €30,000,000 | €30,000,000 |
| SIF (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF30,000,000 | CHF30,000,000 |

| Class | Initial Offer Period* | Initial Issue Price | Minimum Shareholding** | Minimum Initial Investment Amount** |
|--------------|--------------------------------------------------------------------------------|----------------------------|-------------------------------|--------------------------------------------|
| SIF (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥3,000,000,000 | ¥3,000,000,000 |
| SIF (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £30,000,000 | £30,000,000 |
| SIF (AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$30,000,000 | AU\$30,000,000 |
| SIF (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$30,000,000 | US\$30,000,000 |
| MIF (EUR) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | €1,000 | €150,000,000 | €150,000,000 |
| MIF (CHF) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | CHF1,000 | CHF150,000,000 | CHF150,000,000 |
| MIF (JPY) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | ¥100,000 | ¥15,000,000,000 | ¥15,000,000,000 |
| MIF (GBP) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | £1,000 | £150,000,000 | £150,000,000 |
| MIF (AUD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | AU\$1,000 | AU\$150,000,000 | AU\$150,000,000 |
| MIF (USD) | 9.00am (Irish time) on 13 October 2020 to 5.00pm (Irish time) on 12 April 2021 | US\$1,000 | US\$150,000,000 | US\$150,000,000 |

*The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such extension if subscriptions for Shares have been received.

**Subject to the discretion of the Directors (or their delegate) in each case to allow lesser amounts in accordance with section 7.1(i) of the Prospectus and taking into account the principle of equal treatment of Shareholders in the same Class.

The ICAV may (but is not obliged to) enter into certain currency related transactions (through the use of FDI as disclosed above in Section entitled "Use of Derivatives, Efficient Portfolio Management Techniques and Securities Financing Transactions") in order to hedge the currency exposure of the Classes denominated in a currency other than the Base Currency, as described under the heading "Hedged Classes" in the Prospectus.

Applications for subscriptions and repurchase requests received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline, save in exceptional circumstances where the Directors may in their absolute discretion determine, and provided the applications are received before the Valuation Point for the relevant Dealing Day.

(a) Settlement Date (for subscriptions)

Subscription monies should be paid to the Subscriptions/Redemptions Account so as to be received in cleared funds by no later than two (2) Business Days after the relevant

Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Fund or its delegate may cancel the subscription. The Fund reserves the right to cancel, or to instruct its delegate to cancel, without notice any contract for which payment has not been received by the settlement date and to recover any losses incurred. The Fund may charge the applicant or, if the applicant is a Shareholder, redeem or sell all or part of his holding of Shares and use the proceeds thereof to satisfy and make good any loss, cost, expense or fees. In addition, settlement is conditional upon all the appropriate documentation being received by the Fund or its delegate prior to the Dealing Deadline in the required format with all details correct and with valid authorization.

(b) **Settlement Date (for repurchases)**

Payment of Repurchase Proceeds will normally be made by electronic transfer to the account of the redeeming Shareholder at the risk and expense of the Shareholder within two (2) Business Days of the relevant Dealing Day (and in any event should not exceed three (3) Business Days from the relevant Dealing Deadline) provided that all the required documentation has been furnished to and received by Administrator.

(c) **Exchanges of Shares**

The Directors in their discretion may accept applications from shareholders to exchange shares of any class of this Fund for shares of another class of this Fund in accordance with the terms of section 7.3 of the Prospectus.

Investors should be aware and consider that the days on which the applicable payment system (such as Target2 for the Euro) for the currency they invest or receive Repurchase Proceeds in is open for transactions ("Payment System Days") might differ from the Business Days of the Fund. Consequently, investors should consider the impact of such differences on the Settlement Date for their transactions in the Fund. For example, if the payment and settlement process of Repurchase Proceeds occur during a period of days not being Payment System Days, an investor's receipt of its Repurchase Proceeds might be delayed accordingly.

3.8 **Dividend Policy**

The Fund is an accumulating Fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains of each Class in the Fund will be accumulated and reinvested on behalf of Shareholders.

If the Directors propose to change the dividend policy and declare a dividend at any time in the future, full details of the revised dividend policy (including details of method of payment of such dividends) will be disclosed in an updated Supplement and will be notified to Shareholders in advance.

3.9 **Fees and Expenses**

The following fees and expenses (denoted as maximum percentages of Net Asset Value) will be incurred by the ICAV on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund.¹

¹ **Note:** The fees described in the table represent the maximum that may be charged to each class. The fees applicable to certain classes may be lowered for all shareholders in the particular class in the future but they will not be higher the numbers herein.

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

| Class | I | SI | MI | M | N | P | IF | SIF | MIF |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Management Fee | Up to 1.5% | Up to 1.5% | Up to 1.5% | 0% | Up to 1.5% | Up to 1.5% | Up to 1.5% | Up to 1.5% | Up to 1.5% |
| Operating Fee | Up to 0.30% | Up to 0.30% | Up to 0.30% | Up to 0.30% | Up to 0.30% | Up to 0.30% | Up to 0.30% | Up to 0.30% | Up to 0.30% |
| Performance Fee | Up to 15% | Up to 15% | Up to 15% | 0% | Up to 15% | Up to 15% | Up to 15% | Up to 15% | Up to 15% |
| Repurchase Charge | NA | NA | NA | NA | NA | NA | NA | NA | NA |

Shareholders may be subject to a maximum Preliminary Charge of up to 5% of the subscription amount for each Class.

(a) **Operating Fee**

The Manager has agreed to compensate all Annual Expenses (as defined below) charged to the Fund in exchange for an operating fee (the "**Operating Fee**"). The Operating Fee will be set yearly as a percentage of the Net Asset Value of the Fund and is aligned with the level of the actual Annual Expenses of the Fund estimated for each year. The Operating Fee may, however, be adjusted in the case of a material change in the Net Asset Value of the Fund. Notwithstanding the foregoing, the Operating Fee shall not exceed 0.30% per annum of the Fund's Net Asset Value. The Operating Fee shall be calculated and accrued at each Valuation Point in the Base Currency.

For the purpose of this section, "**Annual Expenses**" mean all fees, costs and expenses connected with the establishment, management and operation of the ICAV and the Fund (with the exception of (i) the fees and expenses of the Manager and its out-of-pocket expenses which are excluded and detailed below and (ii) Performance Fees) including, but not limited to the fees and expenses (including out of pocket expenses) of the service providers to the Fund, such as the fees payable to the Depositary, the Administrator and the Distributor, the operational expenses (as detailed below under the heading "Other Fees and Expenses" and only to the extent that such operational expenses are not excluded as set out below) and the Directors fees (as detailed under the heading "Directors' Fees" in the Prospectus) and out of pocket expenses.

"Annual Expenses" shall not, however, include any taxation (including stamp duty) to which the ICAV or the Fund may be liable, exchange fees, commissions, brokerage fees, settlement and clearing fees and other expenses incurred with respect to the Investments and any extraordinary or exceptional costs and expenses as may arise from time to time such as material litigation in relation to the ICAV or the Fund. As noted earlier and for the avoidance of doubt, the "Annual Expenses" do not include the Manager fees, Performance Fees and expenses of the Manager. The foregoing fees, costs and expenses, where arising, will be borne by the ICAV or the Fund, as applicable.

(b) **Management Fee**

The Manager shall be entitled to a maximum annual Management Fee equal to a percentage of the Net Asset Value of the relevant Class (see the management fee as

outlined in the table above). Such fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

(c) **Performance Fee**

In addition, the Manager shall be entitled to receive a performance fee in respect of each Class of Shares (other than Class M, Class N, Class IF, Class SIF and Class MIF).

The Performance Fee shall be a percentage of the increase in the Net Asset Value of each Share Class in excess of the Share Class's High Water Mark (as defined below) (the "**New Net Appreciation**"). The Performance Fee will be calculated and accrued on each Valuation Point as an expense of the relevant Share Class and will be payable in arrears, at the end of the Calculation Period (as defined below or, if earlier on one of the following times).

The 'Calculation Day' for the purposes of calculating the performance fee means:

- (i) the last Business Day of the Calculation Period (as defined below);
- (ii) in respect of Shares which are repurchased or exchanged, the Dealing Day on which such Shares are being repurchased;
- (iii) the date of termination of the Management Agreement; or
- (iv) such other date on which the ICAV or the Fund may be terminated liquidated or cease trading.

"**Calculation Period**" shall mean the period beginning on December 1st each year and ending on 30 November each year. However, the first Calculation Period in respect of any Class of Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on 30 November in that same year. The first value used in determining the first Performance Fee shall be the Initial Issue Price. The performance fee for each Classes of Shares is payable annually in arrears in respect of each Calculation Period.

In respect of any transfer of Shares (approved by the Directors) as at the effective date of such transfers the Performance Fee will be calculated as the applicable performance fee percentage of New Net Appreciation attributable to each Share Class calculated by reference to each Share Class' High Water Mark. The New Net Appreciation of a Share Class shall be calculated and shall equal the amount, if any, by which the Net Asset Value of the relevant Share Class (prior to reduction for any accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark.

The performance fee for all Classes of Shares will be calculated by the Administrator.

Net realised and unrealised capital gains and net realised and unrealised capital losses will be included, for all Classes of Shares, in the performance fee calculation as at the end of a Calculation Date. As a result a performance fee may be paid on unrealised gains that may subsequently never be realised. All fees and expenses (except the Performance Fee, provided that excluding the Performance Fee is in the Shareholders' best interests) that have been accrued or paid (but not previously accrued) for a given period will be deducted prior to calculating the Performance Fees for such period, including, without limitation, the Management Fee. The Manager may from time to time at its sole discretion and out of its own resources decide to rebate to Shareholders part or all of its Management Fee and/or Performance Fee. Any such rebates will be paid in cash.

(d) **High Water Mark**

For the purposes of the performance fee calculation, the "**High Water Mark**" attributable to each Class is the greater of

- (a) The highest Net Asset Value of the relevant Share Class noted as of the end of each Calculation Period since inception of the Fund adjusted for subscriptions and redemptions; or,
- (b) If no Performance Fee has ever been realised, then the Net Asset Value of the relevant Share Class at the inception of the Fund adjusted for subscriptions and redemptions.

In any of the circumstances listed in sub-section (b) at (i) to (iv) which occur as of a date other than 30 November, a Performance Fee (if accrued as of the date of any such circumstance) shall be crystallised in respect of the Shares being redeemed. Crystallised Performance Fees shall remain in the relevant Share Class until paid and shall not be used or made available to satisfy repurchases or pay any fees and expenses of the relevant Share Class. When a repurchase is made, the High Water Mark are proportionately adjusted downwards in proportion to the change in Net Asset Value. Without prejudice to the foregoing, Performance Fees shall crystallise no more frequently than once per Calculation Period in respect of any Share.

If any Share Class experiences net losses after the payment of a Performance Fee in respect of such Share Class, the Manager will retain all Performance Fees previously paid to it in respect of such Share Class but will not receive a new Performance Fee in respect of such Share Class until additional New Net Appreciation is achieved by such Share Class. No equalisation or series accounting model will be applied in relation to the Performance Fee calculation. The methodology used may therefore result in inequalities between investors a Share Class in relation to the payment of Performance Fees.

An illustrative example of how the Performance Fee model operates is set out below:

- Previous High Water Mark (price of one Share of the relevant Share Class) = 1000 (A)
- Increase in the value of one Share of the Share Class, above the High Water Mark = 50%, i.e. the new Share price is 1500 (B)
- Performance Fee Rate = 10% (C)
- Performance Fee payable per Share = $(B - A) \times C$ = performance fee payable of 50.

A Performance Fee shall not be payable in periods of negative performance.

(e) **Administrator's and Depositary's Fees**

The Administrator is entitled to an annual fee out of the assets of the Fund, calculated and accrued daily and payable monthly in arrears at a rate which shall not exceed .06% per annum of the Net Asset Value of the Fund. For the avoidance of doubt, the Administrator's fees shall form part of the Annual Expenses detailed in section (a) above.

The Depositary is entitled to an annual fee out of the assets of the Fund, calculated and accrued daily and payable monthly in arrears at a rate which shall not exceed .025% per annum of the Net Asset Value of the Fund. For the avoidance of doubt, the Depositary's fees shall form part of the Annual Expenses detailed in section (a) above.

The Administrator shall also be entitled to a fee for providing reports to Shareholders, the Depositary, the Manager or the ICAV as required by the Central Bank Rules and the Regulations (or as otherwise agreed) and to be repaid out of the assets of the ICAV all of its reasonable out-of-pocket expenses incurred on behalf of the ICAV. The Fund will bear its proportion of the expenses of the Administrator.

The Depositary shall also be entitled to be repaid all of its properly incurred disbursements out of the assets of the relevant Fund, including the expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon. The Fund will bear its proportion of the fees and expenses of the Depositary.

The Fund will be liable for fees and transaction charges (which shall be at normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian).

(f) Fee of Compliance Support Agent

The Compliance Support Agent is entitled to an annual fee as set out in the Prospectus.

(g) Anti-Dilution Levy

An Anti-Dilution Levy may, in the absolute discretion of the Directors, be imposed with the aim to protect the current Shareholders, to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund where they consider such a provision to be in the best interests of a Fund, as the case may be, from trading costs incurred as a consequence of substantial net subscriptions or repurchases on a Dealing Day.

The amount of the Anti-Dilution Levy will be determined with reference to the cost of trading in the underlying investments of the Fund and may not exceed 3% of the Net Capital Movement, for the relevant Dealing Day.

Any Anti-Dilution Levy imposed on a Dealing Day will be charged to all relevant subscriptions, when the Net Capital Movement is positive and to all relevant repurchases, when the Net Capital Movement is negative. The Anti-Dilution Levy will be imposed in proportion to the applicable subscription or withdrawal, as the case may be. For affected repurchases, the imposed Anti-Dilution Levy will be deducted from the proceeds payable to the Shareholders. For affected subscriptions, the imposed Anti-Dilution Levy will be deducted from the subscription amounts allocated to the capital accounts of the Shareholders. The charged Anti-Dilution Levy will be paid to the Fund.

(h) Establishment Expenses

All fees and expenses relating to the establishment and organisation of the Fund as detailed in the section of the Prospectus entitled "Establishment Expenses" shall be borne by the Manager.

(i) Fees and Expenses out of Capital

Fees and expenses may be paid out of the capital in order to preserve cash flow to Shareholders. There is therefore a greater risk that capital may be eroded foregoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.

3.10 SFDR Information

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as set out in Regulation (EU) 2019/2088 of the

European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial service sector (“**SFDR**”). The classification of the Fund as an Article 6 Fund means that the Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR. Notwithstanding this classification, the Manager considers that the Fund is managed responsibly and the management of sustainability risk forms a part of the due diligence process implemented by the Manager

The Manager believes that, at this moment, (i) sustainability risks are not as impactful in relation to the other asset classes represented in the program and (ii) adverse impacts of investment decisions on sustainability factors are not considered by the investment policy due to the following reasons:

- Financial materiality is not yet, in the Manager’s view, clearly demonstrated between sustainability related issues and asset prices/futures contract prices of the above mentioned asset classes. However, the Manager continuously monitors this relationship and strives to refocus its research efforts in such respect, when it can establish that sustainability risks impact such asset classes in a material manner;
- It may also be the case that the dataset(s) necessary to satisfactorily explore the relationship is still lacking. The Manager strives to continuously review new datasets within this area to ensure a comprehensive and continuous monitoring of the datasets representing sustainability related risks.

4 Risk Factors

Investors should read and consider Appendix III to the Prospectus (entitled "Risk Factors") before investing in the Fund.

No assurance can be given that the target level of volatility will be met and the Manager makes no representation that the performance of the Fund will fall within the volatility range at any given time.

The Fund's trading is highly leveraged. As a result, a relatively small price movement in a contract may result in immediate and substantial gains or losses for the Fund.

The risks described in the Prospectus and this Supplement should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Fund. Potential investors should be aware that an investment in the Fund may be exposed to other risks from time to time.

All the risk factors set out in the section of the Prospectus entitled RISK FACTORS (including but not limited to each of the specific risk factors listed in the table below) apply to the Fund detailed in this Supplement:

| General Risks | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Investment Risks</u></p> <ul style="list-style-type: none"> ○ General Investment Risk ○ Credit Risk ○ Changes in Interest Rate Risk ○ Currency Risk <ul style="list-style-type: none"> ▪ Currency Exchange Rates ▪ Currency of Assets/Base Currency ▪ Base Currency/ Denominated Currency of Classes ▪ Currency Hedging ▪ Hedging Transactions Risk ▪ Currency Forward Trading ▪ Currency Exposure ▪ Risks of Foreign Exchange Trading ○ Derivatives and Securities Financing Transactions Risk <ul style="list-style-type: none"> ▪ General | <ul style="list-style-type: none"> ○ Quantitative Trading Risk <ul style="list-style-type: none"> ▪ Reliance on Technical Trading Systems ▪ Effectiveness of Trading Systems ▪ Multiple Trading Systems ▪ Development and Implementation of Trading Systems ▪ Changes in the Manager's Trading Models, Risk Systems and IT Systems ▪ Information Technology Systems ○ Emerging Markets Risk <ul style="list-style-type: none"> ▪ Accounting Standards ▪ Business Risks ▪ Country Risk ▪ Currency Risk ▪ Disclosure ▪ Legal ▪ Market Characteristics/ Liquidity and Settlement Risks ▪ Political Risk ▪ Tax |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ▪ Absence of Regulation ; Counterparty Risk ▪ Credit Risk and Counterparty Risk ▪ Correlation Risk ▪ Collateral Risk ▪ Trading Risk of Exchange-Traded Funds ▪ Forward Trading ▪ Foreign Exchange Transactions ▪ Futures and Options Trading is Speculative and Volatile ▪ Legal Risk ▪ Margin Risk ▪ Liquidity Risk ▪ Physical Delivery of Underlying in Certain Derivatives Markets ▪ Settlement of Certain Derivative Instruments ▪ Derivative Contracts May be Illiquid ▪ Speculative Position Limits ▪ Liquidity of Futures Contracts ▪ Necessity for Counterparty Trading Relationships ▪ Leverage Component Risk ▪ Risks Associated with Swaps ▪ Index Risk ▪ Physically Settled Trades | <ul style="list-style-type: none"> ○ Trading Style Risk <ul style="list-style-type: none"> ▪ Leverage Risk ▪ Spread and Arbitrage Trading ▪ Hedging Transactions Risk ▪ Trading Costs ▪ Trade Execution Risk |
| | <ul style="list-style-type: none"> ▪ Frontier Markets Risk ○ Equity Risks ○ Efficient Portfolio Management Risk ○ Investing in Fixed Income Securities Risk ○ Credit Ratings Risk ○ Liquidity Risk ○ Market Capitalisation Risk ○ No Secondary Market ○ Recent Developments in Financial Markets ○ Eurozone Crisis ○ Changes in the UK political environment ○ Reinvestment of Cash Collateral Risk ○ Repurchase Risk ○ OTC Counterparty Rating Downgrade Risk ○ Investment in Collective Investment Schemes (CIS) ○ Launch Phase and Wind-down Phase ○ Unlisted Securities ○ Volatility Risk ○ Capital Erosion Risk ○ Concentration Risk ○ Depositary Risk |

Accounting, Legal, Regulatory, Operational, Valuation and Tax Risks

- Accounting, Auditing and Financial Reporting Standards
 - **Operational Risks (including Cyber Security and Identity Theft)**
 - **Dependence on Key Personnel**
 - **Financial Markets and Regulatory Change**
 - **Multiple Jurisdictions**
 - **Manager Valuation Risk**
 - **Lack of Operating History**
 - **Paying Agent Risk**
 - **Custody Risks**
 - **Subscription, Repurchase and Conversion Currency Risks**
 - **Rating of Investment Risk**
 - **Status of Redeeming Investors**
 - **Segregated Liability**
 - **Share Class Level Risk**
 - **Valuation Risk**
 - **Settlement Risks**
 - **Political Risks**
 - **Tax Risks**
 - **FATCA**
 - **CRS**
 - **MiFID II impacts on financial markets**

The above should all be read and understood by any potential Investor in the Fund.

These risk factors may not be a complete list of all risk factors associated with an investment in the Fund.

**CFM UCITS ICAV
GERMAN COUNTRY SUPPLEMENT
SUPPLEMENT TO THE PROSPECTUS FOR GERMAN INVESTORS ONLY
dated: 25 January 2022**

This supplement is supplemental to, forms part of and should be read in conjunction with the Prospectus for CFM UCITS ICAV (the “ICAV”) dated 25 January 2022 and the Supplement for CFM Quant Sustainable Absolute Return Fund (the “Fund”) dated 25 January 2022 each as amended from time to time, to which it is attached.

Right to market Shares in Germany

The Manager has notified its intention to market Shares of the Fund in Germany. Since completion of the notification process the ICAV has the right to market Shares of the Fund in Germany.

Information Agent in Germany

The function of the information agent in Germany has been assumed by:

**GerFIS
German Fund Information Service UG (Haftungsbeschränkt)
Zum Eichhagen 4
21382 Brietlingen**

(the “Information Agent”).

Copies of the Instrument of Incorporation, the Prospectus, the Supplement for the Fund, the Key Investor Information Documents as well as the annual reports and audited accounts and half-yearly reports are available free of charge in paper form at the registered office of the Information Agent.

Furthermore, copies of the following documents may be inspected at the registered office of the Information Agent free of charge during usual business hours:

- the Management Agreement;
- the Investment Management Agreement;
- the Administration Agreement;
- the Depositary Agreement;
- the Regulations.

The subscription and redemption prices are also available free of charge at the Information Agent.

The Information Agent has been appointed at normal commercial rates.

Redemption of Shares, Payments to Shareholders

Redemptions of Shares and payments to the Shareholders in Germany (redemption proceeds, any distributions and other payments) are effected through the entities maintaining the securities accounts of the Shareholders. Printed individual certificates are not issued.

Publications

The subscription and redemption prices as well as shareholder notices, if any, will be published on www.carnegroup.com.

In the cases enumerated in Sec. 298 (2) of the German Investment Code (KAGB), Shareholders will also be notified by means of a durable medium in accordance with Sec. 167 KAGB.