

**This document is a Supplement to the Prospectus dated 7 October 2024 issued by Lynx UCITS Funds ICAV (the “ICAV”). This Supplement forms part of, and should be read in conjunction with, the Prospectus.**

Investors’ attention is drawn, in particular, to the risk warnings contained in the section of the Prospectus entitled “**Special Considerations and Risk Factors**”. Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Lynx UCITS Funds ICAV**  
(An Irish open-ended collective asset-management vehicle  
established as an umbrella fund with segregated liability between its Funds)

**SUPPLEMENT**

**in respect of**

**LYNX UCITS FUND**

(a sub-fund of the ICAV, the “**Fund**”)

The Directors of the ICAV, whose names appear in the Directory in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Dated: 7 October 2024



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## 1 DEFINITIONS

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The following definitions apply throughout this Supplement unless the context requires otherwise:

<b>“Business Day”</b>	Every day (except legal public holidays in the United Kingdom, Ireland, Sweden or the United States of America and days on which the stock markets in London are closed) during which banks in Ireland, Sweden, the United Kingdom and the United States of America are open for normal business and such other day or days as the Directors, in consultation with the Manager, as appropriate, may from time to time determine and notify in advance to Shareholders.
<b>“Dealing Day”</b>	Every Business Day.
<b>“Dealing Deadline”</b>	5 pm Irish time 2 Business Days prior to the relevant Dealing Day. The Directors, in consultation with the Manager, as appropriate, may, in their discretion and on an exceptional basis only, waive the Dealing Deadline either generally or in relation to any specific subscription provided that applications are received prior to the Valuation Point for that particular Dealing Day.
<b>“Initial Offer Period”</b>	<p>The Initial Offer Period for Shares in the Class E EUR, Class I EUR, Class I CHF, Class I SEK, Class D3 USD, Class D1 USD, Class D1 SEK, Class D2 EUR, Class D2 SEK, Class E USD, Class I USD, Class A EUR and Class A SEK Share Classes has closed.</p> <p>The Initial Offer Period for Shares in the other Share Classes of the Fund outlined in the section entitled <b>“Share Classes”</b> of this Supplement will be from 9.00am (Irish time) on 8 October 2024 until the earlier of the receipt of an initial subscription into such Share Class or 5.00pm (Irish time) on 7 April 2025 (or such other time as the Directors may determine).</p>
<b>“Initial Offer Price”</b>	The price at which the Shares of a Share Class are offered during the Initial Offer Period.
<b>“Lynx Program”</b>	means the Lynx Program as outlined in the section of this Supplement headed <b>“Description of the Lynx Program”</b> .
<b>“Valuation Point”</b>	<p>Close of business on the relevant Dealing Day in the relevant markets.</p> <p>For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline.</p>

### **Investment Objective**

The Fund's investment objective is to provide Shareholders with returns based on (i) exposure to the Lynx Program; (ii) investments in transferable securities and money market instruments issued by government issuers; and (iii) investments in cash deposits and cash equivalent securities as set out under the heading "**Investment Policy**" below.

Further information in respect of the Lynx Program and the manner in which the Fund gains exposure to the Lynx Program is set out in more detail under the heading "**Description of the Lynx Program**" below.

### **Investment Policy**

The Fund is actively managed, and its investments are not constrained by reference to a benchmark. In order to achieve the Fund's investment objective, the Investment Manager will seek to invest the net proceeds of any issue of Shares in some or all of the instruments (each a "**Fund Asset**" and together the "**Fund Assets**") set out below, which will be listed, traded and dealt with on one or more of the Regulated Markets set out in Schedule I to the Prospectus (as amended under "Miscellaneous" below):

- (a) transferable securities in the form of structured financial instruments ("**SFI**") selected by the Investment Manager in order to gain exposure to elements of the Lynx Program. The SFI are a type of debt instrument which fall within the categorisation of 'transferable securities' as contemplated by the UCITS Requirements. The SFI provide the Fund with exposure to elements of the Lynx Program.

The SFI are issued by two or more special purpose vehicles (established in either Jersey or Luxembourg) whose share capital will be held upon trust for charitable purposes. The special purpose vehicles' principal activity is to issue SFIs under the terms of their prospectuses, which in the case of the special purpose vehicles as of the date hereof have been approved pursuant to the Prospectus Directive 2003/71/EC, as amended. The details of any additional special purpose vehicles will be disclosed in the periodic accounts of the ICAV. The SFI are independently valued by a third-party administrator.

The SFI provide exposure on a 1:1 basis to interests in a Cayman Island domiciled trading company which provides exposure to elements of the Lynx Program thus enabling the Fund to track the returns of the Lynx Program when combined with the Fund Assets described in paragraphs, (b), (d) and (e) below. The SFI will not embed leverage or derivatives. The investment by the Fund in SFIs will not exceed 20% of the Net Asset Value of the Fund and no more than 10% of the Net Asset Value of the Fund will be invested in each single SFI. Morgan Stanley & Co. International plc ("**MSI**"), acting in its capacity as dealer for the SFI (the "**Dealer**"), has committed to purchase the SFI from the Fund at their most recent net asset value as calculated by the third party administrator, subject to receiving two Business Days' prior notice and provided that there are no prevailing Market Disruption Events which give rise to the temporary suspension or termination of the Fund (further details of which are set out under the heading Market Disruption Events below);

- (b) fixed income securities and money market instruments issued by government issuers in jurisdictions set out in Schedule 2 of the Prospectus. The fixed income securities and money market instruments in which the Fund may invest shall include (but not be limited to) treasury bills, fixed and floating rate bonds and zero-coupon bonds that will be of investment grade or above. An investment in such fixed income securities and money market instruments may constitute up to 100% of the Net Asset Value of the Fund;
- (c) cash deposits and near cash instruments for the purposes of cash management. Cash deposits will include standard deposits such as bank certificates of deposit and bank deposits with credit institutions. An investment in cash deposits and near cash instruments, being the instruments listed in paragraph (b) above, may constitute up to 100% of the Net Asset Value of the Fund in the event that the Fund

reduces its investment in SFI. For example, the proportion of the Fund's assets invested in cash deposits and near cash instruments is likely to be higher when the Investment Manager anticipates higher liquidity needs resulting from potential investor redemptions;

- (d) financial derivative instruments (**FDI**) transactions, such as forward currency exchange contracts, cross currency asset swaps, non-deliverable forward contracts or currency options as well as futures contracts including bond futures, interest rate futures, interest rate swaps, currency futures, futures on equity indices (which will be well diversified national, regional equity indices, or a subset or segment of these broad indices (such as industry or volatility) on a world-wide basis) and which may be used for investment purposes or for the purposes of efficient portfolio management. FDI may also be used to hedge against the risk of adverse currency movements between the Hedged Share Classes as described below. See the section of the Prospectus headed Efficient Portfolio Management for more details in this regard; and
- (e) transferable securities and money market instruments other than the securities referred to in paragraph (a) and (b) above such as unlisted securities. No more than 10% of the Net Asset Value of the Fund may be invested in such transferable securities and money market instruments.

The Fund will not invest in collective investment schemes.

The Fund may have exposure, without limit, to emerging markets through any Permitted Investment listed in Schedule 2 to the Prospectus.

Due to investment in the instruments outlined above the Fund is likely to have a medium to high level of volatility.

It is expected that the Fund will seek to invest in the Fund Assets that give exposure to the Lynx Program at all times, subject to the discretion of the Investment Manager in relation to the particular Fund Assets to be invested in to seek to achieve such exposure and the limitations on the investment in such Fund Assets as outlined above. It is intended that the Fund will invest its remaining net assets primarily in the instruments outlined in (b), (c), (d) and (e) above as required, based on the discretion of the Investment Manager in seeking to achieve the investment objective of the Fund in the prevailing market conditions.

### **Description of the Lynx Program**

As set out above, the Fund invests in Fund Assets and each of the Fund Assets set out in paragraph (a), (b), (d) and (e) above may either be used to provide exposure to the Lynx Program or to be used by the Fund to mirror the Lynx Program's exposure, thus enabling the Fund to track the returns of the Lynx Program. The Lynx Program in turn provides exposure to a selection of futures and forward contracts and swaps in markets for currencies (such as the Australian Dollar, the New Zealand Dollar, Pound Sterling, Polish Zloty, South African Rand, Hungarian Forint and the Euro), fixed-income (examples being 10 Year US Treasury Bills, 2 Year Treasury Bills and 5 Year Treasury Bills), equity indices world-wide (such as the Euro Stoxx, FTSE equity indices globally and DAX equity indices) and commodities (such as corn futures and soya bean futures) selected by the Investment Manager. The Lynx Program may have exposure, without limit, to emerging markets through currency, equity and fixed income FDI.

The asset selection is performed in two steps. Firstly, the Investment Manager decides what contracts shall be traded in the Lynx Program. When determining the eligibility of contracts, the Investment Manager will focus on futures contracts that over time have proven to have had a long and steady liquidity and futures contracts that can achieve a diversification in the Lynx Program. The Investment Manager aims at trading the most liquid markets in order to minimise the market impact of the trading. Secondly, a series of proprietary algorithmic models decide which positions shall momentarily be taken in each asset that is traded by the Lynx Program as outlined further below.

When gaining exposure to and replicating the Lynx Program, the Investment Manager seeks to offer Shareholders performance of a systematic strategy as applied to a broadly diversified portfolio of markets as

further detailed below, while aiming to produce a return that over time has a low correlation to the global equities and bond markets. This is possible by using long and short positions as well as portfolio construction across the four traded asset classes. It should however be noted that the correlation at any given time could be substantial to one or several of the asset classes.

As mentioned above, the Lynx Program systematically applies a series of proprietary algorithmic models to around 130 futures and forward markets across the four market sectors of currencies, fixed-income, equity indices and commodities. The models have different characteristics and in aggregate, they are used to make quantitative analyses of price fluctuations on the market. The models are designed to identify market situations in which there is an enhanced probability that future price changes will be in a certain direction.

The Investment Manager's main approach is a systematic trend following strategy applied to a broadly diversified portfolio of markets. Trend following aims to profit by taking positions in the direction of upward or downward price trends. Diversification is achieved by using models over multiple time frames, with the aim to capture trends ranging from a few days up to a year or more.

The Investment Manager believes that the characteristics of a trend following strategy can be improved by adding non-trend following strategies. An example of a non-trend following strategy could be a carry strategy (a strategy that tries to profit from the term structure of the futures curve i.e., taking a long position in a high yielding contract while at the same time taking a short position in a low yielding contract) or a strategy that uses fundamental data (such as commodity inventory data, international trade flows or equity dividends). Non-trend strategies may also improve the risk-adjusted return of the Lynx Program as they seek to benefit from market phenomena such as seasonal patterns and carry, that are unrelated to price trends.

The implementation of the Lynx Program is fully systematic. The proprietary models generate buy and sell signals that are executed directly into the electronic markets using internally developed algorithms. The majority of the models are symmetrical, i.e., they use the same rules or logic to take short positions in future contracts as for long positions in future contracts.

Risk management is an integrated feature in the investment process and Lynx focuses on diversification and portfolio construction. Minimisation of each investment's loss is integrated in the design of the models e.g., by using systematic risk-reducing mechanisms. The Lynx Program utilizes a number of models that all have their own risk reducing mechanisms, typically they decrease their positions as the trading signals becomes weaker. The risk reducing methodology is a highly integrated part of the models and varies from model to model depending on the type of alpha that the model tries to utilize. As a result, the risk utilisation in the fund changes dynamically over time.

### **Use of FDI and Efficient Portfolio Management Techniques**

The Fund may invest up to 100% of the Net Asset Value of the Fund in Fund Assets as set out above. However, since the Fund will invest in FDIs the gross notional exposure will exceed 100% of the Fund's Net Asset Value. For additional information, please see below section "**Leverage**".

The Fund may engage in (i) transactions in FDIs (as outlined above) for investment purposes or for the purposes of efficient portfolio management and (ii) currency hedging, each subject to the conditions and limits set out in the Central Bank Regulations. FDI used for efficient portfolio management and hedging are not expected to have a material effect on the risk profile of the Fund.

The Fund will utilise an absolute Value at Risk ("VaR") approach, which allows the one-month VaR to be up to 20% of the Net Asset Value using a one-tailed confidence interval of 99% and an observation period of at least 1 year. That means that if the calculated probability of a loss of 20% or more of the Fund's Net Asset Value over the immediately forthcoming 20 Business Days is greater than 1%, steps will be taken to reduce the risk level of the Fund in a timely and prudent manner.

The Fund may enter into repurchase and reverse repurchase agreements subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes but will not enter into total return

swaps or stock lending agreements. The Fund’s exposure to repurchase and reverse repurchase agreements is set out below (as a percentage of Net Asset Value):

	Expected	Maximum
Repurchase Agreements / Reverse Repurchase Agreements	0%	100%

This section is to be read in conjunction with the “**Investment Techniques and Instruments**” section of the Prospectus.

### Share Class Hedging

The Base Currency of the Fund is USD. Shareholders may subscribe in USD, Euro, Pound Sterling, Swedish krona or Swiss Franc into the USD, EUR, GBP, SEK or CHF denominated Share Classes respectively.

The EUR, GBP, SEK and CHF denominated Shares are Hedged Share Classes. The Investment Manager will seek to hedge these Hedged Share Classes against exchange rate fluctuation risks between the denominated currency of the Class and the Base Currency of the Fund. The Investment Manager shall attempt to mitigate the risk of such fluctuation by using FDI (outlined above) for currency hedging purposes subject to the conditions and within the limits laid down by the Central Bank. However, the successful execution of a hedging strategy which mitigates exactly this risk cannot be assured.

The Investment Manager may choose not to enter into hedging transactions with respect to a Hedged Share Class where the Investment Manager deems it uneconomical to do so (for example, where the costs associated with the transaction is greater than the benefit attributable to the Share Class).

All hedging transactions will be clearly attributable to the specific Hedged Share Class(es) and therefore currency exposures of different Share Classes will not be combined or offset and currency exposures of assets of the Fund will not be allocated to separate Share Classes.

To the extent that Share Class currency hedging is successful, the performance of a Hedged Share Class would not be affected by currency fluctuations between the Base Currency and the currency of the Hedged Share Class; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency.

This section is to be read in conjunction with the “**Class Currency Hedging**” section of the Prospectus.

### Leverage

The Fund’s use of FDI such as futures contracts, forwards contracts and swaps will have an impact on its financial leverage. Leverage will be calculated as the sum of gross notional values of financial derivative instruments that are used. The Fund’s total amount of leverage is not expected to exceed 1,000% of the Fund’s Net Asset Value. Investors should be aware that the level of leverage may be higher from time to time. The net “short” exposure of the Fund is expected to be at a maximum of 200% of the Net Asset Value of the Fund.

The sum of the gross notional methodology may result in exceptionally high levels of leverage when currency forwards or futures are employed, as currency positions have a two-leg exposure (one long position in the first currency and an equivalent short position in the second currency). The sum of gross notional value approach does not allow netting or offsetting practices and as such a degree of leverage is not always representative of the economic risk in the Fund. When disregarding currency forwards or futures, or in circumstances where they do not constitute a significant part of the Fund’s exposure, the leverage is not expected to exceed 200% of the Fund’s Net Asset Value.

As the Fund’s investment exposure is expected to exceed its total assets, it will be subject to increased risk



compared to funds that do not use leverage. While this increased investment exposure may magnify the Fund's potential for gains, it will also magnify the potential for losses. For these reasons the Fund is intended for investors with a long-term investment horizon.

### **Borrowing and Leverage**

The Fund may borrow money in an amount up to 10% of its net assets at any time for the account of the Fund and the Fund may charge the Fund Assets as security for any such borrowing, provided that such borrowing is only for temporary purposes.

### **Market Disruption Events**

A Market Disruption Event is the occurrence or existence of one or more of the following events, which occur in relation to SFI:

- (a) it is not possible to obtain a price or value (or an element of such price or value) of the SFI according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);
- (b) the calculation of the price or value of the SFI is, at the relevant time, in the opinion of the Dealer impractical or impossible to make and notified to the ICAV by the Dealer/Investment Manager;
- (c) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where the SFI are traded; and/or there exists an event or circumstance that prevents or materially limits transactions in the SFI. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Dealer constitute a Market Disruption Event and notified to the ICAV by the Dealer/Investment Manager;
- (d) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer and notified to the ICAV by the Dealer/Investment Manager;
- (e) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of the SFI into the Base Currency through customary legal channels, as determined by the Dealer and notified to the ICAV by the Dealer/Investment Manager;
- (f) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (i) the currency from accounts inside the country of issue and/or country of payment of the SFI to accounts outside such country of issue and/or country of payment or (ii) the currency of the country of issue and/or country of payment of the SFI between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer and notified to the ICAV by the Dealer/Investment Manager;
- (g) a general moratorium is declared in respect of banking activities in London, Dublin or New York;
- (h) the occurrence of any early termination event or event of default or illegality affecting the SFI or other breach of obligations by the issuer of the SFI; and/or
- (i) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affects the holding, acquisition, trading, transfer or hedging of the SFI.

As set out above, upon the occurrence of a Market Disruption Event the Directors will temporarily suspend the  
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calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or the Directors may, in certain circumstances, terminate the Fund.

### **Investment Restrictions**

The general investment restrictions as set out in Schedule II to the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as will be either compatible with or in the best interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

### **Base Currency**

The base currency of the Fund is USD.

### **Profile of a Typical Investor**

The Fund is suitable for professional investors seeking capital growth who are prepared to accept a medium to high degree of volatility. The Fund may suit investors who are seeking to benefit from the potential diversification and non-correlation benefits of the Lynx Program. Typical investors are expected to be informed investors who understand and are willing to accept capital risk. Investors should have at least a 3 to 5-year investment horizon.

## **3 SHARE CLASSES**

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Details of the Classes of Shares available in the Fund, including the Class Currency, management charge, Initial Offer Price, any Minimum Initial Investment, Minimum Additional Investment, Minimum Redemption Amount, and Minimum Holding in respect of such Classes are set out in Schedule 1 to this Supplement.

The Directors reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Initial Investment Amount, Minimum Additional Investment Amount, Minimum Redemption Amount, and Minimum Holding for any such Shareholder or to refuse an application for any such Shares in their absolute discretion. Additional Classes of Shares may be created in accordance with the requirements of the Central Bank.

The Directors have the power to redeem the remaining holding of any Shareholder who redeems its holding of Shares in any Share Class to below the Minimum Holding (or its foreign currency equivalent, where applicable).

The Class E EUR and Class E USD Share Classes are the initial investor Share Classes and are only available for the investors previously invested in share classes in the MS Lynx UCITS Fund. However, the Directors may in their absolute discretion accept any other investors in these Share Classes from time to time.

Class D EUR Shares, Class D USD Shares, Class D GBP Shares, Class D SEK Shares and Class D CHF Shares are only available to investors who have agreed separate distribution arrangements with the Investment Manager.

The EUR, GBP, SEK and CHF denominated Share Classes are Hedged Share Classes.

Investors must subscribe into a Share Class in the currency in which that Share Class is denominated. Repurchase payments are also made in the currency in which the relevant Share Class is denominated.

## **4 DEALING IN SHARES IN THE FUND**

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### **How to Purchase Shares**

Full details on how to purchase Shares are set out in the “**Investing in Shares**” section of the Prospectus.

Signed Application Forms, duly completed, should be sent to the ICAV c/o the Administrator in accordance with the instructions contained in the Application Form available on request from the ICAV.

During the Initial Offer Period for Shares in a Share Class, the Initial Offer Price of Shares will be as set out in Schedule 1.

Following the close of the Initial Offer Period, Shares will be available at the Net Asset Value per Share on the relevant Dealing Day. Subscriptions for Shares must be received by the Dealing Deadline for the relevant Dealing Day. Subscription monies should be paid to the account specified in the Application Form so as to be received in cleared funds by the Dealing Deadline. Shareholders will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within this time frame.

### **How to Redeem Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Redemption Price per Share of the relevant Class, subject to the procedures and conditions set out in the “**Redeeming Shares**” section of the Prospectus.

## **5 DIVIDEND POLICY**

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It is not the intention of the Directors to declare a dividend in respect of any Share Class. Any distributable profits will remain in the Fund Assets and be reflected in the Net Asset Value of the relevant Class of Shares.

## **6 RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Special Considerations and Risk Factors**” section of the Prospectus.

**An investment in the Fund is not the same as a deposit and the value of the amount invested in the Fund may fluctuate.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

The following additional risk factors, which Shareholders may be exposed to directly or indirectly, e.g., through the Funds’ investments in SFI, also apply:

### **General Risks**

#### *Currency Risk*

The Base Currency of the Fund is USD. Shareholders may subscribe in USD, Euro, Pound Sterling, Swedish Krona or Swiss Franc into the USD, EUR, GBP, SEK or CHF denominated Share Classes respectively.

To the extent that Share Class currency hedging is successful, the performance of a Hedged Share Class would not be affected by currency fluctuations between the Base Currency and the currency of the Hedged Share Class; however, Shareholders in a Hedged Share Class will not benefit if the currency of that Hedged Share Class falls against the Base Currency. Shareholders in the Hedged Share Classes are urged to read the section of the Prospectus entitled “**Class Currency Hedging**” for information on the currency risks associated with investment in those Share Classes.

Depending on a Shareholder's currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in the Fund. Changes in exchange rates may have an adverse effect on the value, price, or income of the Fund.

#### *Counterparty Risk*

The Fund will purchase or enter into Fund Assets, including SFI, from several counterparties (not excluding the Dealer), which will expose the Fund to the issuer or credit risk of such counterparties and their ability to satisfy the terms of such contracts, such as a special purpose vehicle (i) not using the proceeds from the SFI to actually invest in units of the Cayman Island domiciled trading company, or (ii) not holding the units of the Cayman Island domiciled trading company in an account which is segregated from its other assets.

#### *Limited Recourse*

A Shareholder will solely be entitled to look to the assets of the Fund in respect of all payments in respect of its Shares. If the realised net assets of the Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other sub-fund or any other asset of the Fund.

### **Risks and Investment Considerations Associated with the Lynx Program and the Investment Manager**

#### *The Fund may be exposed to Entities Which Use Margin Funding*

The Fund will obtain exposure to the Lynx Program by investing (in accordance with the Investment Policy) in SFI and unlisted securities. Such instruments may provide the Fund with direct or indirect exposure to entities which use debt financing or trade on margin (i.e., borrowing against the assets purchased) to obtain an optimum return on their equity capital. The use of such techniques may therefore increase the volatility of the price of the SFI and unlisted securities and as a result may impact the returns of the Fund.

#### *Trading in Futures is Speculative and Volatile*

The rapid fluctuations in the market prices of futures make an investment in the Lynx Program volatile. Volatility is caused by, among other things: changes in supply and demand relationships; weather; agriculture, trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates. The Lynx Program may not take account of all of these factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and this intervention may cause these markets to move rapidly.

#### *Exposure to Commodities Involves Certain Risks*

Indirect exposure to the commodities markets via investment in the SFI may subject the Fund to greater volatility than investments in traditional securities. The performance of the Lynx Program may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs, and international economic, political and regulatory developments.

### *Markets or Positions May Be Correlated and May Expose the Fund to Significant Risk of Loss*

Different markets traded or individual positions may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. The Investment Manager cannot always predict correlation. Correlation may expose the Fund to significant risk of loss.

### *Increases in Assets Under Management Obtaining Exposure to the Lynx Program Could Lead to Diminished Returns*

The Investment Manager does not intend to limit the amount of additional equity that it may manage, and it will continue to seek major new accounts which gain exposure to the Lynx Program. However, in general, the rates of returns often diminish as an investment manager's assets under management increase. This can occur for many reasons, including the inability to execute larger position sizes at desired prices and because of the need to adjust the Lynx Program to avoid exceeding speculative position limits. These limits are established by the U.S. Commodity Futures Trading Commission and the exchanges on the number of speculative futures contracts in a commodity that one trader may own or control.

### *The Fund's success is dependent on the performance of the Lynx Program*

Therefore, the success of the Fund depends on the judgement and ability of the Investment Manager in selecting the futures contracts for the Lynx Program. The Lynx Program may not prove successful under all or any market conditions. If the Lynx Program is unsuccessful, the Fund may incur losses.

The Fund's objective includes providing Shareholders with returns based on the exposure to Lynx Program; as such the performance of the Investment Manager for the Lynx Program has an indirect impact on the Fund's ability to meet its objective. The loss of the services of any of the Investment Manager's principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on the Investment Manager's ability to manage its trading activities successfully. This, in turn, could negatively impact the Fund's performance.

### *Exposure to Currencies Involves Certain Risks*

The Fund's indirect exposure to foreign currencies subjects the Fund to currency risk. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the relevant countries. In addition, the Fund may incur transaction costs in connection with conversions between various currencies.

### *Risk Associated with Decisions Based on Trend Following Analysis*

The trading decisions made on behalf of the Fund may be based in part on trading strategies which utilize mathematical analyses of past market price movement. The buy and sell signals generated may include a study of actual intraday, daily, weekly, and monthly price fluctuations, volume and open interest variations, and other market data and indicators. The profitability of any trading strategy based on this type of historical analysis is determined by the relationship of future price movements to historical prices, and the ability of the strategy to adapt to future market conditions. The Investment Manager attempts to develop strategies which will be successful under many possible future scenarios. However, there can be no guarantee that the strategies will be effective or applicable to future market conditions. Any increase in the use of model-based or trend following systems as a proportion of the overall volume of the futures markets as a whole or for particular futures contracts could result in traders attempting to initiate or liquidate substantial positions in a market at or about the same time or otherwise alter historical trading patterns, obscure developing price trends or affect the execution of trades to the detriment of the Fund.

## *Implementation of Trading Systems and Use of Automated Order Routing (AORS) and Execution Systems*

The Investment Manager's computerized trading systems rely on the Investment Manager's personnel to accurately monitor the systems' outputs and execution of the transactions called for by the trading models. In addition, the Investment Manager relies on its staff to properly operate and maintain its computer and communications systems upon which the trading systems rely. Execution and operation of the Investment Manager's systems and the resulting implementation of trading orders is therefore subject to human errors. Any failure, inaccuracy, or delay in successfully implementing any of the Investment Manager's systems and in executing transactions using proper execution algorithms could impair its ability to identify profit opportunities and benefit from them. It could also result in decisions to undertake transactions based on inaccurate or incomplete information at the time. This could cause substantial losses on transactions.

Additionally, the Investment Manager may use automated order routing and execution systems in its trading. Such systems are typically facilitated and/or provided by executing brokers on an "as is" basis. Such systems may experience technical difficulties which may render them temporarily unavailable for order execution. In addition, such systems may fail to properly perform. Such failures may result in losses to a Fund for which losses the providers of such services have disclaimed all liability. In an effort to mitigate such risks, the Investment Manager closely monitors trades executed through automated order routing and execution systems and the operation of the systems themselves.

## **7 FEES AND EXPENSES**

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The Fund will bear its attributable portion of the fees and operating expenses of the ICAV as outlined in the "Fees and Expenses" section of the Prospectus and the following sections on fees should be read in conjunction with that section of the Prospectus.

### **Fees payable to the Manager**

The Fund shall be responsible for its attributable portion of the fees payable to the Manager. The fee payable to the Manager shall be calculated as a percentage of the Net Asset Value of the ICAV (as detailed in the below table) (plus any applicable taxes), that shall be allocated to the Funds on a pro-rata basis. This fee accrues daily and paid monthly in arrears. The Investment Manager may take responsibility for payment of the fee to the Manager.

<b>Net Asset Value of the ICAV</b>	<b>Fee payable to the Manager</b>
€0 - €250Ml:	0.03% per annum
€250Ml - €500Ml:	0.0275% per annum
€500Ml - €750Ml:	0.025% per annum
€750Ml - €1Bn:	0.0225% per annum
Above €1Bn:	0.02% per annum

These fees are subject to a minimum fee of €65,000 per annum for the initial two sub-funds of the ICAV.

### **Fees Payable to the Investment Manager**

#### **Investment Management Fee**

The Fund will pay to the Investment Manager from the assets attributable to each Class of Shares of the Fund the following fees which are based on a percentage of the Net Asset Value attributable to such Class of Shares, which is accrued daily and paid monthly in arrears at an annual rate set out below:

In respect of the Class E Shares: 0.70% per annum.

In respect of the Class I Shares: 1.00% per annum.

In respect of the Class D1 Shares: 1.30% per annum.

In respect of the Class D2 Shares: 1.00% per annum

In respect of the Class D3 Shares: up to 1.00% per annum

In respect of the Class A Shares: 1.30% per annum

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the management fee or performance fee outlined below payable to the Investment Manager. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

#### Performance Fee

In this section, the following terms will have the meaning indicated:

**“Calculation Period”** means the first Business Day through to 31 December in each year, with the exception of the first Calculation Period, which shall be the day of the close of the Initial Offer Period of the relevant Share Class or the day of the launch of a Share Class through to 31 December in the following year.

**“Hurdle Rate”** means the yield threshold that the Fund has to exceed before any performance fee is payable to the Investment Manager. The Hurdle Rate is three (3) month U.S. Treasury Bill yield for all share classes denominated in USD, three (3) month French Treasury Bill yield for all share classes denominated in EUR, three (3) month Swedish Treasury Bill yield for all share classes denominated in SEK, three (3) month United Kingdom Treasury Bill yield for all share classes denominated in GBP and three (3) month Swiss Treasury Bill yield for all share classes denominated in CHF, as of the last Business Day of the previous quarter and if the relevant market is not open for business on such day, the immediate preceding day such market was open.

**“Hurdle Rate Adjusted High-Water Mark”** means the NAV of the relevant Share Classes as at the end of the last Calculation Period on which a Performance Fee was paid, as adjusted for any subscriptions or redemptions during the Calculation Period and increased by the Hurdle Rate for each relevant Share Class. For the first Calculation Period or any subsequent Calculation Period until a Performance Fee is paid in respect of a Share Class, the Hurdle Rate Adjusted High-Water Mark shall be based on the initial NAV of the relevant Share Class. In the event that the interest rate as described above is a negative interest rate, the Board of the ICAV has decided to apply a hurdle rate of 0 per cent until further notice, such that the Hurdle Rate Adjusted High-Water Mark shall never fall below the initial NAV of a Share Class.

The Investment Manager will be entitled to receive a performance fee in respect of each Share Class equal to the percentage (as outlined in Schedule 1 of this Supplement) of the amount by which the NAV of the relevant Share Class exceeds the Hurdle Rate Adjusted High-Water Mark as at the last Business Day of the Calculation Period, plus any crystallised performance fee accrued in relation to the relevant Share Class in respect of redemptions during the Calculation Period (the **“Performance Fee”**).

Should the NAV of a Share Class decline in any given Calculation Period, no Performance Fee will be payable in subsequent Calculation Periods until the NAV of the relevant Share Class exceeds the relevant Hurdle Rate Adjusted High-Water Mark.

The Performance Fee shall be calculated and accrue at each Valuation Point. For the purposes of the Performance Fee calculation, the NAV shall be calculated, including the deduction of any Performance Fees crystallised but not yet paid in relation to the relevant Share Class in respect of redemptions during the Calculation Period.

For each redemption made on a Dealing Day for which the NAV for the relevant Share Class is higher than the Hurdle Rate Adjusted High-Water Mark, a crystallisation of the Performance Fee is triggered. The crystallised Performance Fee will be calculated on a pro rata basis as the redemption amount divided by the

Net Asset Value of the relevant Share Class multiplied with the Performance Fee accrual as of that Dealing Day.

If the relevant Share Class is terminated before the end of a Calculation Period, the Dealing Day on which the final redemption of Shares takes place shall serve as the end of that Calculation Period.

The Performance Fee is based on net realised and net unrealised gains and losses and as a result, performance fees may be paid on unrealised gains which may subsequently never be realised. In addition, Performance Fees may accrue as a result not just of the performance of the Investment Manager but also as a result of market movements affecting the value of a Fund's assets.

The Performance Fee will be paid within 15 business days of the end of the relevant Calculation Period.

It should be noted that as the Net Asset Value as well as the Hurdle Rate Adjusted High-Water Mark may differ between Share Classes, separate Performance Fee calculations will be carried out for separate Share Classes within the Fund which may therefore become subject to different amounts of Performance Fee.

The amount of the Performance Fee will be calculated by the Administrator and verified by the Depository and will not be open to the possibility of manipulation.

#### *Worked Examples*

An illustrative example is set out below, based on the purchase of 10,000 shares. The example shows the impact of different investment performance and resulting Performance Fee outcomes. This simplified illustration has been prepared using a Performance Fee rate of 18% to aid Shareholders' understanding of circumstances when a Performance Fee may or may not be paid.

Calculation Period 1: The Shares of a Class are launched at the Initial Offer Price of US\$1,000, leading to a Net Asset Value and Hurdle Rate Adjusted High-Water Mark of US\$ 10 million for the Class. At the time of the investment, the Hurdle Rate is 4.0%. The Net Asset Value per Share drops to US\$900 by the end of the first Calculation Period, meaning that the Net Asset Value of the Class (as adjusted for subscriptions and redemptions) has not exceeded the Hurdle Rate Adjusted High-Water Mark, with the result that no Performance Fee is payable at the end of the first Calculation Period as no increase in the Net Asset Value was realised (taking into account adjustments for subscriptions and redemptions).

Calculation Period 2: The Net Asset Value per Share increases to US\$1,100 at the end of the second Calculation Period. The Hurdle Rate during the Calculation Period is 3.0%. Given no Performance Fee had become payable in respect of any previous Calculation Period, the Hurdle Rate Adjusted High-Water Mark equals the Hurdle Rate Adjusted High-Water Mark at the end of Period 1, compounded with the Hurdle Rate for Period 2. Given the Net Asset Value of the Share Class (as adjusted for subscriptions and redemptions) exceeds the Hurdle Rate Adjusted High-Water Mark, a Performance Fee equal to 18% of the excess is payable at the end of the Calculation Period, amounting to US\$51,840 (i.e., 18% of US\$ 11,000,000 minus 10,712,000)<sup>1</sup>.

Calculation Period 3: The Net Asset Value per Share falls to US\$1,050 at the end of the third Calculation Period. The Hurdle Rate during the Calculation Period is 5.0%. Given a Performance Fee was payable in respect of Calculation Period 2, the Hurdle Rate Adjusted High-Water Mark equals the Net Asset Value after performance fee was paid in Period 2, compounded with the Hurdle Rate for Period 3. As there has been no increase in the Net Asset Value per Share (and therefore no increase in the Net Asset Value of the Class (taking into account adjustments for subscriptions and redemptions)), or the Hurdle Rate Adjusted High-Water Mark, no Performance Fee is payable.

	<b>Net Asset Value</b>	<b>Net Asset</b>	<b>Hurdle</b>	<b>Hurdle Rate</b>	<b>Net Asset</b>	<b>Result</b>
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<sup>1</sup> For the purposes of this illustrative example, we have not factored in accruals in Performance Fee in respect of any Shares which were redeemed during the Calculation Period but not yet paid.



	<b>per Share at beginning of Calculation Period</b>	<b>Value per Share at end of Calculation Period</b>	<b>Rate<sup>2</sup></b>	<b>Adjusted High-Water Mark Net Asset Value (as adjusted for subscriptions and redemptions)</b>	<b>Value of Class at end of Calculation Period (as adjusted for subscriptions and redemptions)</b>	
<b>Calculation Period 1</b>	US\$1,000.000	US\$900.000	4.0%	US\$10,400,000	US\$9,000,000	No fee paid.
<b>Calculation Period 2</b>	US\$900.000	US\$1,100.000	3.0%	US\$10,712,000 million	US\$11,000,000	Fee paid.
<b>Calculation Period 3</b>	US\$1,094.816	US\$1,050.000	5.0%	US\$11,495,568 million	US\$10,500,000	No fee paid.

### **Administrator's Fees and Expenses**

The Fund shall be responsible for the fees of, and reasonable out-of-pocket expenses properly incurred by, the Administrator. Subject to a minimum monthly fee (4,500 USD), the administration fee shall be calculated at the following annual rates on the Net Asset Value of the Fund (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears.

<b>Net Asset Value</b>	<b>Percentage</b>
On net assets of the Fund up to \$ 250 million	0.06%
On net assets of the Fund between \$ 250 million and \$1 billion	0.05%
On net assets of the Fund greater than \$ 1 billion	0.04%

### **Depository's Fees and Expenses**

The Fund shall be responsible for the fees of, and reasonable out-of-pocket expenses properly incurred by the Depository in the performance of its duties under the Depository Agreement. The annual fee shall be calculated at the following annual rates on the Net Asset Value of the Fund (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and is payable monthly in arrears. Subject to a minimum fee (36,000 EUR p.a. pro-rated between the Funds of the ICAV on the basis of the assets under management of each Fund), the depository fee will be 0.03 per cent on the Net Asset Value of the Fund held by the Depository. The Depository shall also be entitled to receive out of the assets of the Fund all agreed sub-depository fees and transaction charges (which will be charged at normal commercial rates).

### **Initial Subscription Charge, Exchange, and Redemption Charges**

No Subscription or Redemption Charge will be payable in respect of the Shares.

The Fund may also impose an Anti-Dilution Levy or adjustment on net subscriptions or redemption of Shares as further described in the section of the Prospectus entitled "**Fees and Expenses**".

### **Other Charges**

The Fund will incur additional charges associated with obtaining exposure to the Lynx Program. Such indirect charges include, for example and without limitation, fees and expenses of the Cayman trading company which acts as the underlying asset of the SFI which the Fund invests in. Such charges will accrue on a daily basis and are not expected to exceed 0.20% of the Net Asset Value of the Fund per annum.

<sup>2</sup> For the purposes of this illustrative example, the Hurdle Rate is assumed to be the same for the entire Calculation Period, while the Hurdle Rate actually will reset and be compounded each calendar quarter.

## **8 MISCELLANEOUS**

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In addition to those Regulated Markets for investments in financial derivative instruments set out in Schedule 1 in the Prospectus, the following shall also be considered Regulated Markets in respect of the Fund:

Korea Exchange (KFX)  
NASDAQ Stockholm  
Thailand Futures Exchange (TFEX)

As of the date of this Supplement, the ICAV has one other sub-fund in existence, namely:

1. LYNX ACTIVE BALANCED FUND

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the ICAV.

This Schedule should be read in conjunction with the Fees and Expenses section above.

<b>Class</b>	<b>Currency Denomination</b>	<b>Hedged Shares</b>	<b>Initial Offer Price per Share*</b>	<b>Minimum Initial Investment Amount</b>	<b>Management Charge</b>	<b>Performance Fee (equal to a percentage of increase above the Hurdle Rate Adjusted High-Water Mark)</b>	<b>Minimum Additional Investment/ Minimum Repurchase Amount</b>	<b>Minimum Holding</b>	<b>ISIN Code</b>
<b>Class E USD Shares</b>	US Dollar	No	\$1,000	\$1,000,000	0.70% per annum	18%	\$100,000	\$ 50,000	IE00BGBVCM94
<b>Class E EUR Shares</b>	Euro	Yes	€1,000	€1,000,000	0.70% per annum	18%	€100,000	€50,000	IE00BGBVCP26
<b>Class I GBP Shares</b>	Pound Sterling	Yes	£1,000	£250,000	1.00% per annum	18%	£50,000	£100,000	IE00BJP0WR81
<b>Class I CHF Shares</b>	Swiss Franc	Yes	CHF1,000	CHF250,000	1.00% per annum	18%	CHF50,000	CHF100,000	IE00BJP0WS98
<b>Class I USD Shares</b>	US Dollar	No	\$1,000	\$250,000	1.00% per annum	18%	\$50,000	\$100,000	IE00BGBVCN02
<b>Class I EUR Shares</b>	Euro	Yes	€1,000	€250,000	1.00% per annum	18%	€50,000	€100,000	IE00BGBVCK70
<b>Class I SEK Shares</b>	Swedish Krona	Yes	SEK 1,000	SEK 2,500,000	1.00% per annum	18%	SEK 500,000	SEK 1,000,000	IE000TPSR9D2

<b>Class</b>	<b>Currency Denomination</b>	<b>Hedged Shares</b>	<b>Initial Offer Price per Share*</b>	<b>Minimum Initial Investment Amount</b>	<b>Management Charge</b>	<b>Performance Fee (equal to a percentage of increase above the Hurdle Rate Adjusted High-Water Mark)</b>	<b>Minimum Additional Investment/ Minimum Repurchase Amount</b>	<b>Minimum Holding</b>	<b>ISIN Code</b>
<b>Class D1 GBP Shares</b>	Pound Sterling	Yes	£1,000	£10,000	1.30% per annum	18%	£1,000	N/A	IE00BGBVCL87
<b>Class D1 CHF Shares</b>	Swiss Franc	Yes	CHF1,000	CHF10,000	1.30% per annum	18%	CHF1,000	N/A	IE00BGBVCJ65
<b>Class D1 EUR Shares</b>	Euro	Yes	€1,000	€10,000	1.30% per annum	18%	€1,000	N/A	IE00BGBVCH42
<b>Class D1 USD Shares</b>	US Dollar	No	\$1,000	\$10,000	1.30% per annum	18%	\$1,000	N/A	IE00BGKB8T91
<b>Class D1 SEK Shares</b>	Swedish Krona	Yes	SEK 1,000	SEK 100,000	1.30% per annum	18%	SEK 10,000	N/A	IE000DIIBQ05
<b>Class D2 GBP Shares</b>	Pound Sterling	Yes	£1,000	£10,000	1.00% per annum	18%	£1,000	N/A	IE00BJP0WT06
<b>Class D2 CHF Shares</b>	Swiss Franc	Yes	CHF1,000	CHF10,000	1.00% per annum	18%	CHF1,000	N/A	IE00BJP0WV28
<b>Class D2 EUR Shares</b>	Euro	Yes	€1,000	€10,000	1.00% per annum	18%	€1,000	N/A	IE00BJP0WW35

<b>Class</b>	<b>Currency Denomination</b>	<b>Hedged Shares</b>	<b>Initial Offer Price per Share*</b>	<b>Minimum Initial Investment Amount</b>	<b>Management Charge</b>	<b>Performance Fee (equal to a percentage of increase above the Hurdle Rate Adjusted High-Water Mark)</b>	<b>Minimum Additional Investment/ Minimum Repurchase Amount</b>	<b>Minimum Holding</b>	<b>ISIN Code</b>
<b>Class D2 USD Shares</b>	US Dollar	No	\$1,000	\$10,000	1.00% per annum	18%	\$1,000	N/A	IE00BJP0WX42
<b>Class D2 SEK Shares</b>	Swedish Krona	Yes	SEK 1,000	SEK 100,000	1.00% per annum	18%	SEK 10,000	N/A	IE000JK3I533
<b>Class D3 USD Shares</b>	US Dollar	No	\$1,000	\$10,000	up to 1.00% per annum	up to 18%	\$1,000	N/A	IE000X93NG07
<b>Class A GBP Shares</b>	Pound Sterling	Yes	£1,000	£10,000	1.30% per annum	18%	£5,000	£5,000	IE00BJP0WY58
<b>Class A CHF Shares</b>	Swiss Franc	Yes	CHF1,000	CHF10,000	1.30% per annum	18%	CHF5,000	CHF5,000	IE00BJP0WZ65
<b>Class A EUR Shares</b>	Euro	Yes	€1,000	€10,000	1.30% per annum	18%	€5,000	€5,000	IE00BJP0X085
<b>Class A USD Shares</b>	US Dollar	No	\$1,000	\$10,000	1.30% per annum	18%	\$5,000	\$5,000	IE00BJP0X192
<b>Class A SEK Shares</b>	Swedish Krona	Yes	SEK 1,000	SEK 100,000	1.30% per annum	18%	SEK 50,000	SEK 50,000	IE000GADRZG7

\*The Initial Offer Period for the Class E EUR, Class I EUR, Class I CHF, Class D3 USD, Class D1 USD, Class E USD and Class I USD Share Classes has closed.