



## PROSPECTUS

### ***ECHIQUIER FUND***

Société d'Investissement à Capital Variable  
à compartiments multiples  
Luxembourg

Subscriptions can only be received on the basis of this prospectus accompanied by the relevant key investor information documents, the latest annual report as well as the latest semi-annual report, if published after the latest annual report.

These reports form part of the present prospectus. No information other than that contained in this prospectus, in the periodic financial reports, as well as in any other documents mentioned in the prospectus and which may be consulted by the public, may be given in connection with the offer.

R.C.S. LUXEMBOURG B 180751  
September 2021

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<b>REGISTERED OFFICE</b>	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
<b>MANAGEMENT COMPANY</b>	La Financière de l'Echiquier GP91004 53 avenue d'Iéna 75116 Paris France
<b>DIRECTORS OF THE SICAV</b>	Bertrand GIBEAU Chairman of the Board of Directors Reinhold & Partners, Partner  Olivier DE BERRANGER Director La Financière de l'Echiquier, Chief Investment Officer  Elsa SCOURY Director La Financière de l'Echiquier, Chief Operating Officer
<b>DIRECTORS OF THE MANAGEMENT COMPANY</b>	Bettina DUCAT CEO  Olivier DE BERRANGER Deputy CEO  Bertrand MERVEILLE Deputy CEO
<b>AUDITOR</b>	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator B.p. 1443 L-1014 Luxembourg Grand Duchy of Luxembourg
<b>DEPOSITARY AND PAYING AGENT</b>	BNP Paribas Securities Services – Luxembourg Branch 60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
<b>CENTRAL ADMINISTRATION AND REGISTRAR / TRANSFER AGENT</b>	BNP Paribas Securities Services – Luxembourg Branch 60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
<b>GLOBAL DISTRIBUTOR</b>	La Financière de l'Echiquier GP91004 53 avenue d'Iéna 75116 Paris France

**The Prospectus is divided into two Parts. Part A “General Information” aims at describing the general features of ECHIQUIER FUND. Part B “The Sub-Funds” aims at describing precisely each sub-fund’s specifics.**

<b>PART A: GENERAL INFORMATION</b>
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## GLOSSARY

<b>Administrative Agent</b>	BNP Paribas Securities Services – Luxembourg Branch.
<b>AEOI Law</b>	Luxembourg Law dated 18 December 2015 on the automatic exchange of financial account information in the field of taxation.
<b>Annual General Meeting</b>	The general meeting of Shareholders which is held yearly.
<b>Articles</b>	Articles of incorporation of the Company.
<b>Auditor or Independent Auditor</b>	PricewaterhouseCoopers, Société coopérative.
<b>Bank Business Day</b>	Any full day in which banks are open for business.
<b>Benchmarks Regulation</b>	Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
<b>Board of Directors or the Directors</b>	The board of directors of the Company.
<b>Calculation Day</b>	Day on which the Net Asset Value per Share is determined.
<b>Central Administration</b>	BNP Paribas Securities Services – Luxembourg Branch.
<b>Class(es) of Shares or Class(es)</b>	Within each Sub-Fund several different classes of shares whose characteristics may differ. The differences between the Classes may relate <i>inter alia</i> to the initial subscription price per share, the reference currency of the Class, the types of investors who are eligible to invest, the subscription and repurchase frequency, the charging structure applicable to each of them, the distribution policy or such other features as the Board of Directors may, in their discretion, determine.
<b>Commitment approach</b>	A global risk exposure calculation method.
<b>Company</b>	Echiquier Fund.
<b>Company Law</b>	The Luxembourg law of 10 August 1915 related to the commercial companies.
<b>Counterparty(ies)</b>	Broker(s) or bank(s) through whom the relevant transaction is effected.
<b>CRS</b>	Common Reporting Standard - formally referred to as the Standard for Automatic Exchange of Financial Account Information, is an information standard for the automatic exchange of information (AEOI), developed in the context of the Organisation for Economic Co-operation and Development (OECD).
<b>DAC 2</b>	Directive 2014/107/EU amending Directive 2011/16/EU on administrative cooperation.
<b>Data Protection Law</b>	Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
<b>Depository</b>	BNP Paribas Securities Services – Luxembourg Branch.
<b>Directive 2009/65/EC</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as modified by the Directive 2014/91/EU.

<b>Distressed securities</b>	Bond securities rated below "CCC" and above "D" by Standard & Poor's or the equivalent by another agency.
<b>EFTA</b>	European Free Trade Association.
<b>Environmental, Social and Governance or ESG</b>	<p><u>Environmental:</u> Issues relating to the quality and functioning of the natural environment and natural eco-systems. For example, these can include: biodiversity loss, greenhouse gas emissions, climate change, renewable energy, energy efficiency, air pollution, water or resource depletion or pollution, waste management, stratospheric ozone depletion, change in land use, ocean acidification.</p> <p><u>Social:</u> Issues relating to the rights, well-being and interests of people and communities. For example, these can include: human rights abuse, labour standards conditions in the supply chain, child rights abuse, slave and bonded labour, workplace health and safety conditions, freedom of association and freedom of expression, human capital management and employee relations; gender diversity; relations with local communities, activities in conflict zones, health and access to medicine, consumer protection.</p> <p><u>Governance:</u> Issues relating to the governance of companies and other investee entities. For example, in the listed equity context these can include: board structure, size, gender diversity, skills and independence of the board, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management processes, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented. In the unlisted asset classes governance issues can also include matters of fund governance, such as the powers of advisory committees, valuation issues, fee structures, etc.</p>
<b>EUSD or Savings Directive</b>	Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.
<b>FATF</b>	Financial Action Task Force on money laundering.
<b>Feeder Sub-Funds</b>	Feeder UCITS of funds which qualifies as master UCITS as defined in the Investment Fund Law.
<b>FFI</b>	Foreign Financial Institution.
<b>GIIN</b>	Global Intermediary Identification Number.
<b>Hedged Share Class(es)</b>	Certain Class(es) of Shares hedged against currency risk exposure.
<b>Investment Advisor</b>	No investment advisor has been appointed.
<b>Investment Fund Law</b>	The Luxembourg law of December 17, 2010 related to undertakings for collective investments.
<b>Investment Manager</b>	No investment manager has been appointed.
<b>KIID</b>	Key Investor Information Document.
<b>Management Company</b>	La Financière de l'Echiquier.

<b>Master Fund</b>	The sub-fund of the SICAV in which the Feeder Sub-Fund invests.
<b>Member State</b>	Member State of the European Union.
<b>Mémorial</b>	The Luxembourg official gazette of law.
<b>Merger</b>	A merger of a Sub-Fund or Class of Shares of the Company.
<b>National Commission for Data Protection</b>	The independent authority created by the law of 2 August 2002 on the protection of individuals with regard to the processing of personal data.
<b>Net Asset Value</b>	The Net Asset Value as determined in section 8.
<b>Nominee</b>	A company into whose name securities or other properties are transferred.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>OTC Derivative(s)</b>	Over the Counter derivative(s) contract(s).
<b>Prospectus</b>	The current prospectus, offering document of the Company.
<b>Performance Fee Crystallisation Period</b>	The yearly period during which the performance fee is calculated and accrued and at the end of which the accrued performance fee (if any) is paid.
<b>Performance Fee Reference Period</b>	The 5-year period during which the performance is calculated and compared to the index of reference and at the end of which the Fund is entitled to reset the past negative performance (or underperformance) recovery mechanism.
<b>Reference Currency</b>	The reference currency of the Sub-Funds.
<b>Registrar and Transfert Agent</b>	BNP Paribas Securities Services – Luxembourg Branch.
<b>RESA</b>	Recueil Electronique des Sociétés et Associations.
<b>RMB</b>	Renminbi, the official currency of the People's Republic of China.
<b>Savings Law</b>	The law of 21 June 2005 transposing into Luxembourg law the Council Directive 2003/48/CE of 3 June 2003 on taxation of savings income in the form of interest payments.
<b>Shareholder(s)</b>	Holder(s) of shares of the Company.
<b>SFDR</b>	The Sustainable Finance Disclosure Regulation (EU) 2019/2088 on Sustainability-related Disclosures in the financial services sector, which came into effect on 10 March 2021.
<b>Sustainability Risk</b>	An environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, as defined in Article 2 of SFDR.
<b>SICAV</b>	<i>Société d'Investissement à Capital Variable.</i>
<b>Sub-Fund(s)</b>	A distinctive entity of the Company constituted of assets and liabilities.
<b>Total Return Swaps (TRS)</b>	Derivative contract, as defined in point (7) of Article 2 of regulation 648/2012 of 4 July 2012 on OTC Derivatives, central counterparties and trade repositories, in which (according to regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse) one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
<b>UCI</b>	Undertaking for Collective Investment.
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities.

<b>US Person</b>	<ul style="list-style-type: none"> <li>(i) a citizen of the United States of America irrespective of his place of residence or a resident of the United States of America irrespective of his citizenship;</li> <li>(ii) a partnership organised or existing in laws of any state, territory or possession of the United States of America;</li> <li>(iii) a corporation organised under the laws of the United States of America or of any state, territory or possession thereof; or</li> </ul> <p>any estate or trust which are subject to United States tax regulations.</p>
<b>Valuation Date</b>	Date of the Net Asset Value per share of each Class that will be calculated on the Calculation Day.
<b>VaR approach</b>	Value at risk approach: a global risk exposure calculation method.



## 1. INTRODUCTION

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The Company, described in this Prospectus, is a company established in Luxembourg with a variable capital, a *société d'investissement à capital variable* (SICAV) that may offer a choice of several separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific features as further detailed in the relevant Sub-Funds' specifics in Part B of this Prospectus. Each Sub-Fund invests in transferable securities and/or other liquid financial assets permitted by Part I of the Investment Fund Law transposing the Directive 2009/65/EC. All or part of the Sub-Funds of the Company may adopt a feeder investment policy in compliance with the provisions of the Investment Fund Law, with a view to invest at all times at least 85% of its assets in shares of a master UCITS, as further detailed (where applicable) in the relevant Sub-Funds Addendum in Part B of this Prospectus.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s). This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The main objective of the Company is to provide a range of Sub-Funds combined with active professional management to diversify investment risk and satisfy the needs of investors seeking income, capital conservation and longer term capital growth.

**As in the case of any investment, the Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Company's individual Sub-Funds will be achieved.**

The Reference Currency is indicated in each Sub-Fund's specifics (section "Investment Objectives and Policy") in Part B of this Prospectus.

The Board of Directors may decide at any time to create new Sub-Funds. At the opening of such additional Sub-Funds, the Prospectus shall be adapted accordingly.

As of the date of the Prospectus, the following Sub-Funds have been launched within the Company:

- Echiquier Agenor SRI Mid Cap Europe Fund
- Echiquier Arty SRI Fund
- Echiquier World Equity Growth Fund
- Echiquier Major SRI Growth Europe Fund
- Echiquier Entrepreneurs Small Cap Europe
- Echiquier Artificial Intelligence

As also indicated in the Articles, the Board of Directors may:

- (i) restrict or prevent the ownership of shares in the Company by any physical person or legal entity;
- (ii) restrict the holding of shares in the Company by any physical or corporate person in order to avoid breach of laws and regulations of a country and/or official regulations or to avoid that shareholding induces tax liabilities or other financial disadvantages, which it would otherwise not have incurred or would not incur.

Shares shall in particular not be offered or sold by the Company to US Person.

As the above-mentioned definition of "US Person" differs from Regulation S of the US Securities Act of 1933, the Board of Directors of the Company, notwithstanding the fact that such person or entity may come within any of the categories referred to above, is empowered to determine, on a case by case basis, whether ownership of shares or solicitation for ownership of shares shall or shall not be in breach with any securities law of the United States of America or any state or other jurisdiction thereof.

For further information on restricted or prohibited share ownership, please consult the Company.

FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The basic terms of FATCA currently appear to include the Company as a FFI, such that in order to comply, the Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned legislation.

Despite anything else herein contained and as far as permitted by Luxembourg laws, the Company shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company;
- Require any Shareholder or beneficial owner of the shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld.

In addition, the Company hereby confirms that it is a participating FFI as laid down in the FATCA rules and that it is registered and certify compliance with FATCA and obtained a GIIN, the Company will furthermore only deals with professional financial intermediaries duly registered with a GIIN.

## 2. THE COMPANY

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The Company was incorporated for an unlimited period in the Grand Duchy of Luxembourg on 8 October 2013 as a *société anonyme* under the Company Law and is organized as a variable capital company (*société d'investissement à capital variable - SICAV*) under Part I of the Investment Fund Law. As such, the Company is registered on the official list of collective investment undertakings maintained by the Luxembourg regulator.

The capital of the Company shall at all times be equal to the value of the assets of all the Sub-Funds of the Company.

The minimum capital of the Company must be at least EUR 1,250,000 (one million two hundred fifty thousand Euro) and must be reached within a period of six (6) months following the authorisation of the Company. For the purpose of determining the capital of the Company, the assets attributable to each Sub-Fund, if not expressed in Euro, will be converted into Euro at the then prevailing exchange rate in Luxembourg. If the capital of the Company becomes less than two-thirds of the legal minimum, the Directors must submit the question of the dissolution of the Company to the Annual General Meeting. The meeting is held without a quorum and decisions are taken by simple majority. If the capital becomes less than one quarter of the legal minimum, a decision regarding the dissolution of the Company may be taken by Shareholders representing one quarter of the shares present. Each such meeting must be convened not later than forty (40) days from the day on which it appears that the capital has fallen below two-thirds or one quarter of the minimum capital, as the case may be.

The registered office of the Company is at:

60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

The Articles were published in the Mémorial under number 2597 on 18 October 2013 and the Company is registered with the Luxembourg Trade and Companies Register under number B180751. The Articles and amendments thereto, together with the mandatory legal notice, have been deposited with the Register of the Tribunal d'Arrondissement of Luxembourg where they are available for inspection and where copies thereof can be obtained.

The financial year of the Company starts on 1 October and ends on 30 September of each year. The first financial year started at the launch of the SICAV and ended on 31 December 2013.

Shareholders' meetings are to be held annually in Luxembourg at the Company's registered office or at such other place as is specified in the notice of meeting. The Annual General Meeting will be held on every first day of June each year, at 2 pm Luxembourg time. If such day is a legal bank holiday in Luxembourg, the Annual General Meeting shall be held on the following Bank Business Day which is, unless otherwise indicated in the relevant Sub-Fund's specifics in Part B of this Prospectus, each day which is a full banking day in Luxembourg. The first Annual General Meeting was held in 2014. Other meetings of Shareholders may be held at such place and time as may be specified in the respective notices of meetings that will be published/sent in compliance with the provisions of the Company Law. Resolutions concerning the interests of the Shareholders shall be taken in a general meeting and resolutions concerning the particular rights of the Shareholders of one specific Sub-Fund shall in addition be taken by this Sub-Fund's general meeting.

### 3. THE MANAGEMENT COMPANY

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The Directors are responsible for the overall investment policy, objectives and management of the Company, and for its Sub-Funds.

The Board of Directors has appointed La Financière de l'Echiquier S.A. as Management Company to be responsible on a day to day basis, under the supervision of the Directors, for providing administration, marketing, investment management and advice services in respect of all Sub-Funds in accordance with the Directive 2009/65/EC. The Management Company has delegated the administration functions to the Administration Agent and registrar and transfer functions to the Registrar and Transfer Agent.

The Management Company is registered with number 352 045 454 under the Register of Commerce and Companies of Paris, France. La Financière de l'Echiquier is regulated in France by the "Autorité des Marchés Financiers", the financial supervisory authority, and is authorised under number GP-91004 as a UCITS management company in compliance with Directive 2009/65/EC. The Management Company has been appointed under a Collective Portfolio Management Agreement entered into force on 15 October 2013. This Agreement is for an indefinite period of time and may be terminated by either party with ninety (90) days' written notice.

As of the date of the Prospectus, the share capital of the Management Company is EUR 10,000,000. The list of funds managed by the Management Company are available on the following website: <https://www.lfde.com/les-fonds/>.

The Management Company shall ensure compliance of the Company with the investment instructions and is responsible for the implementation of the Company's strategies and investment policy. The Management Company shall send reports to the Directors on a quarterly basis and inform each Director without delay of any non-compliance of the Company with the investment restrictions.

Subject to the conditions set forth by the Directive 2009/65/EC, the Management Company is authorized to delegate under its responsibility and control, and with consent and under supervision of the Company and its Board of Directors, part or all of its functions and duties to third parties.

The remuneration policy of the Management Company is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the funds managed. Furthermore, the remuneration policy is in line with the business strategy, objectives, values and interests of the management company and the UCITS that it manages and of the investors of this UCITS, and includes measures to avoid conflicts of interest.

The remuneration policy reflects the Management Company's objectives for good corporate governance as well as sustained and long-term value creation for the investors of the Company and is compliant with article 111ter, paragraph (1) point b) of the Investment Fund Law, according to which the remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest. The remuneration policy has been designed and implemented to:

- support actively the achievement of the Management Company's strategy and objectives;
- support the competitiveness of the Management Company in the markets it operates;
- be able to attract, develop and retain high-performing and motivated employees; and

- address any situations of conflicts of interest. For that purpose, the Management Company has implemented and maintains an adequate management of conflicts of interest policy.

Employees of the Management Company are offered a competitive and market-aligned remuneration package making fixed salaries a significant component of their total package. Moreover, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the Shareholders in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period. Fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration components represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to pay no variable remuneration component.

The principles of the remuneration policy are reviewed on a regular basis and adapted to the evolving regulatory framework. The remuneration policy has been approved by the board of directors of the Management Company.

The details of the up-to-date remuneration policy including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, can be found on the website of the Management Company (i.e. [www.lfde.com](http://www.lfde.com)). A paper copy of the remuneration policy will also be made available free of charge upon request.

For the investment management of the Sub-Funds, the Management Company may, at its own costs and under its control and supervision, appoint one or more Investment Manager(s) for providing day-to-day management of the assets of certain Sub-Funds. The Management Company may further, under the same conditions, appoint Investment Advisor(s) to provide investment information, recommendations and research concerning prospective and existing investments. In this case, the Prospectus will be updated accordingly.

In consideration of its investment management, administration and distribution services, the Management Company is entitled to receive management fees (the "Management Fee") (so as to remunerate investment management, administration and distribution services) and performance fees as indicated in each Sub-Fund's specifics (section "Expenses") in Part B of this Prospectus. These fees shall be calculated based on the Net Asset Value of the Sub-Funds and shall be paid quarterly in arrears.

## 4. INVESTMENT OBJECTIVES AND POLICY

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### 4.1 Investment objectives of the Company

The investment objective of each Sub-Fund is to provide Shareholders with the opportunity of achieving long term capital growth and/or capital conservation through investment in assets within each of the Sub-Funds. **The Sub-Funds' assets will be invested in conformity with each Sub-Fund's investment objective and policy as described in each Sub-Fund's specifics (section "Investment Objectives and Policy") in Part B of this Prospectus.** All or part of the Sub-Funds may adopt a feeder investment policy in compliance with the provisions of the Investment Fund Law, with a view to invest at all times at least 85% of its assets in shares of a Master Fund, as further detailed (where applicable) in the relevant Sub-Fund's specifics in Part B of this Prospectus.

The investment objective and policy of each Sub-Fund of the Company is determined by the Directors, after taking into account the political, economic, financial and monetary factors prevailing in the selected markets.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. The value of the shares and the income from them can fall as well as rise and Shareholders may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the shares to diminish or to increase.

Unless otherwise mentioned in a Sub-Fund's specifics in Part B of this Prospectus, the following applies to the Sub-Funds.

### 4.2 Investment policy and restrictions of the Company

- I. In the case that the Company comprises more than one Sub-Fund, each Sub-Fund shall be regarded as a separate UCITS for the purpose of the investment objectives, policy and restrictions of the Company.
- II. 1. The Company, for each Sub-Fund, may invest in only one or more of the following:
  - a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;
  - b) transferable securities and money market instruments dealt on another market in a Member State and in a contracting party to the Agreement on the European Economic Area that is not a Member State within its limits set forth and related acts, which is regulated, operates regularly and is recognised and open to the public;
  - c) transferable securities and money market instruments admitted to official listing on a stock exchange in an OECD member country or dealt in on another market in an OECD member country which is regulated, operates regularly and is recognised and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
  - d) Recently issued transferable securities and money market instruments, provided that:
    - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated

- market which operates regularly and is recognised and open to the public or markets as defined in the paragraphs a), b), c) above;
- provided that such admission is secured within one year of issue;
- e) units of UCITS authorised according to Directive 2009/65/EC and/or other UCI within the meaning of the first and the second indent of Article 1, paragraph (2) points a) and b) of the Directive 2009/65/EC, whether or not established in a Member State, provided that:
- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Community law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
  - the business of such other UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above, and/or OTC Derivatives, provided that:
- the underlying consists of instruments covered by this paragraph II. of section 4.2., financial indices, interest rates, foreign exchange rates or currencies, in which each Sub-Funds may invest according to its investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- h) money market instruments other than those dealt in on a regulated market and which fall under Article 1 of the Investment Fund Law, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, an OECD member country or, in case of a Federal State, by one of the members making up the federation,

or by a public international body to which one or more Member States belong; or

- issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs a), b) or c) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU Community law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this sub-paragraph and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies including one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. However:

- a) The Company, for each Sub-Fund, shall not invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in paragraph 1 above of this paragraph II. of section 4.2.;
- b) the Company for each Sub-Fund shall not acquire either precious metals or certificates representing them.

III. The Company, for each Sub-Fund, may acquire movable and immovable property which is essential for the direct pursuit of its business.

IV. The Company may hold ancillary liquid assets.

V. a) (i) The Company, for each Sub-Fund, may invest no more than 10% of the assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.

(ii) The Company, for each Sub-Fund, may not invest more than 20% of its assets in deposits made with the same body. The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in paragraph II. f) or 5% of its assets in other cases.

b) The total value of the transferable securities and money market instruments held by the Company for each Sub-Fund in the issuing bodies in each of which it invests more than 5% of its assets shall not exceed 40% of the value of its assets of each Sub-Fund. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Company, for each Sub-Fund, shall not combine where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body;



- deposits made with that body; or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above may be of a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by an OECD member country or by public international bodies of which one or more Member States belong.
- d) The limit of 10% laid down in sub-paragraph a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If the Company for a Sub-Fund invests more than 5% of its assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) are not included in the calculation of the limit of 40% referred to in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be combined, thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) may not exceed a total of 35% of the assets of each Sub-Fund.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in paragraph V.

The Company may cumulatively invest up to 20% of the assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- VI. a) Without prejudice to the limits laid down in paragraph VIII., the limits provided in paragraph V. are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when, according to the constitutional documents of the Company, the aim of a Sub-Funds' investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF on the following basis:
- the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - the index is published in an appropriate manner.
- b) The limit laid down in paragraph a) is raised to 35% where that proves to be justified by exceptional market conditions, in particular on regulated markets

where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

VII. **Notwithstanding the limits set forth under paragraph V., each Sub-Fund is authorized to invest in accordance with the principle of risk spreading up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, an OECD member country or public international bodies of which one or more Member States of the European Union belong, provided that (i) such securities are part of at least six different issues and (ii) the securities from a single issue shall not account for more than 30% of the total assets of the Sub-Fund.**

VIII. a) The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

b) Moreover, the Company may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units of the same UCITS and/or other UCI with the meaning of Article 2 (2) of the Investment Fund Law;
- 10% of the money-market instruments of any single issuer.

These limits laid down under second, third and fourth indents may be disregarded at the time of acquisition, if at that time the gross amount of the bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

c) The provisions of paragraphs (a) and (b) are waived as regards to:

- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by an OECD member country;
- transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;
- shares held by the Company in the capital of a company incorporated in an OECD member country which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company for each Sub-Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the OECD member country complies with the limits laid down in paragraph V., VIII. and IX. Where the limits set in paragraph V and IX are exceeded, paragraph XI a) and b) shall apply mutatis mutandis;
- shares held by one or more investment companies in the capital of subsidiary companies carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of units at the request of unitholders exclusively on its or their behalf.

- IX. a) The Company may acquire the units of the UCITS and/or other UCIs referred to in paragraph II. e), provided that no more than 20% of a Sub-Fund's assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- b) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of each Sub-Fund.

When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph V.

- c) When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Companies' investment in the units of such other UCITS and/or UCIs.

The Company for each Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs will disclose in this prospectus the maximum level of the management fees that may be charged both to the UCITS itself and to the other UCITS and/or other UCIs in which it intends to invest.

- X. 1. The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

The Management Company should not solely or systematically rely on credit ratings issued by credit rating agencies within the meaning of Article 3, paragraph 1, point b) of Regulation (EC) No 1060/2009 of 16 September 2009 on agencies credit rating to assess the quality of the Company's assets credit.

The central administration of the Company employs a process for accurate and independent assessment of the value of OTC Derivatives.

2. The Company for each Sub-Fund is also authorised to employ techniques and instruments relating to transferable securities and money-market instruments under the conditions and within the limits laid down by the Investment Fund Law, provided that such techniques and instruments are used for the purpose of efficient portfolio management. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the Investment Fund Law.

Under no circumstance shall these operations cause the Company for each Sub-Fund to diverge from its investment objectives as laid down in this Prospectus.

3. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in

paragraph V above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph V.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph X.

The global exposure may be calculated through the Value-at-Risk approach or the Commitment approach as described in each Sub-Fund in Part B of this Prospectus.

The purpose of the VaR approach is the quantification of the maximum potential loss that could arise over a given time interval under normal market conditions and at a given confidence level. A confidence level of 99% with a time horizon of one month is foreseen by the Investment Fund Law.

The Commitment Approach performs the conversion of the financial derivatives into the equivalent positions in the underlying assets of those derivatives. By calculating global exposure, methodologies for netting and hedging arrangements and the principles may be respected as well as the use of efficient portfolio management techniques.

Unless described differently in each Sub-Fund in Part B, each Sub-Fund will ensure that its global exposure to financial derivative instruments computed on a VaR approach does not exceed either (i) 200% of the reference portfolio (benchmark) or (ii) 20% of the total assets or that the global exposure computed based on a commitment basis does not exceed 100% of its total assets.

To ensure the compliance of the above provisions the Management Company will apply any relevant circular or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards.

- XI. a) The Company for each Sub-Fund does not need to comply with the limits laid down in section 4.2 when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs V., VI., VII. and IX. for a period of six months following the date of their authorisation.
- b) If the limits referred to in paragraph XI. a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
- XII. 1. The Management Company on behalf of the Company may not borrow.  
However, the Company may acquire foreign currency by means of a back-to-back loan for each Sub-Fund.
2. By way of derogation from paragraph XII.1., the Company may borrow provided that such a borrowing is:
- a) on a temporary basis and represents no more than 10% of their assets;
- b) to enable the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of its assets.
- The borrowings under points XII. 2. a) and b) shall not exceed 15% of its assets in total.
- XIII. A Sub-Fund may, subject to the conditions provided for in the Articles as well as this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Company under the condition that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;
- no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may, pursuant to the Articles, be invested in aggregate in shares/units of other target Sub-Funds of the same fund; and
- voting rights, if any, attaching to the relevant securities, are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Company, their value will not be taken into consideration of the calculation of the assets of the Company for the purposes of verifying the minimum threshold of the assets imposed by the Investment Fund Law; and
- there is no duplication of subscription or repurchase fees between those at the level of the Sub-Fund of the Company having invested in the target Sub-Fund, and this target Sub-Fund.

#### 4.3 Securities lending, sale with right of repurchase transactions, repurchase and reverse repurchase agreement transactions and total return swaps.

The Company may, within the limits and under the conditions of CSSF Circular 14/592 on ESMA guidelines on ETFs and other UCITS issues and of Regulation (EU) No 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse ("Regulation 2015/2365"), enter into securities lending transactions, repurchase and reverse repurchase agreements transactions or total return swaps, except otherwise stated in the Sub-Fund's specifics in Part B of the Prospectus.

If case of use of such efficient portfolio management techniques, the Company will ensure the following:

- That the risks arising from these activities are adequately captured by the risk management process of the Company.
- That the techniques and instruments relating to transferable securities and money market instruments should not:
  - a) result in a change of the declared investment objective of the Company; or
  - b) add substantial supplementary risks in comparison to the original risk policy as described in its sales documents.
- That the Prospectus mentions:
  - a) the policy regarding direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Company, these fees not including hidden revenue; and
  - a) the identity of the entity(ies) to which the direct and indirect costs and fees are paid and the indication of their relation with the Management Company or the Depositary.
- That all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, should be returned to the Company.
- That it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- That, when it enters into a reverse repurchase agreement, it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis.
- That, when it enters into a repurchase agreement, it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

If case of use of total return swaps or other financial derivative instruments with the same characteristics, the Company will insert in its Prospectus the following:

- information on the underlying strategy and composition of the investment portfolio or index;
- information on the counterparty(ies) of the transactions;
- a description of the risk of counterparty default and the effect on investor returns;
- the extent to which the counterparty assumes any discretion over the composition or management of the Company's investment portfolio or over the underlying of the financial derivative instruments, and whether the approval of the counterparty is required in relation to any Company investment portfolio transaction; and
- the identification of the counterparty being considered as an investment manager.

#### 4.4 Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

In case of entering into OTC financial derivative transactions and efficient portfolio management techniques, the Company will ensure that all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive 2009/65/EC.

b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

c) Issuer credit quality – collateral received should be of high quality.

d) Correlation – collateral received by the UCITS should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. By way of derogation from this sub-paragraph, the Company may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Company should then receive securities from at least six (6) different issues, but securities from any single issue should not account for more than 30% of the Company's Net Asset Value. If the Company intends to be fully collateralised in securities issued or guaranteed by a Member State, the Company should disclose this fact in the Sub-Fund's specifics in Part B of the Prospectus. The Company shall also identify the Member states, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their Net Asset Value.

f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

g) Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party

custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

h) Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

i) Non-cash collateral received should not be sold, re-invested or pledged.

j) Cash collateral received should only be:

- placed on deposit with entities prescribed in Article 50(f) of the Directive 2009/65/EC;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds.

In that case, the Company will put in place a clear haircut policy adapted for each class of assets received as collateral; and when devising the haircut policy, the Company will take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests. The Company will ensure that this policy is documented and justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

#### 4.5 Master Feeder structures

All or part of the Sub-Funds of the Company may be feeder UCITS of funds which qualifies as master UCITS (the "**Master Fund**") as defined in the Investment Fund Law (these Sub-Funds will be referred hereunder as "**Feeder Sub-Fund(s)**"). In compliance with the relevant provisions of the Investment Fund Law, a Feeder Sub-Fund will at all times invest at least 85% of its assets in shares of a Master Fund. Any Feeder Sub-Fund may hold up to 15% of its assets in ancillary liquid assets, including cash, cash equivalents and short term bank deposits in accordance with the provisions of Article 41 (2) of the Investment Fund Law.

To be eligible, any Master Fund must at all times (i) have at least one feeder UCITS among its shareholders, (ii) not itself become a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS in accordance with Directive 2009/65/EC. The Sub-Fund's specifics in Part B of the Prospectus will contain information on investment objective and policy of the relevant Master Fund of the Feeder Sub-Funds of the Company.

Valuation Date for shares of the Feeder Sub-Funds will correspond to dealing days for shares of the relevant Master Fund. Similarly, the respective dealing cut-off times for the Feeder Sub-Funds and the relevant Master Fund are set so that valid subscription or redemption orders for Shares of the Feeder Sub-Fund placed before the cut-off time can then be reflected in the Feeder Sub-Fund's investment into the Master Fund. Accordingly, valuation points for the Feeder Sub-Funds and the relevant Master Fund must also be coordinated, as each Feeder Sub-Fund's investments into their respective Master Fund will be valued at the latest available net asset value per share as published by the Master Fund.

A number of documents and agreements must be in place to the effect of coordinating interactions between the Feeder Sub-Funds and the Master Fund, in accordance with the relevant provisions of the Directive 2009/65/EC:

- (a) The Management Company shall establish internal conduct of business rules describing, especially, the appropriate measures to mitigate conflicts of interest that may arise between the Feeder Sub-Funds and the Master Fund, the basis of investment

and divestment by the Feeder Sub-Funds, standard dealing arrangements, events affecting dealing arrangements and standard arrangements for the audit report. These internal rules are available on the website of the Management Company at <http://www.lfde.com/informations-reglementaires/> and include, in particular, rules regarding the conflicts of interests, principles applying to the transfers made by the Company, provisions governing the negotiation and provisions related to the audit report. Additional information regarding these internal rules can be obtained free of charge upon request made to the Management Company.

- (b) The Depositary and the depositary of each of the Master Fund must enter into an agreement in order to share information regarding the Master Funds. This agreement describes, especially, the documents and categories of information to be routinely shared between both depositaries or available upon request, the manner and timing of transmission, the coordination of involvement of each depositary in operational matters in view of their duties under their respective national law, the coordination of accounting year-end procedures, reportable breaches committed by the Master Funds, the procedure for *ad hoc* requests for assistance, and particular contingent events reportable on *ad hoc* basis.
- (c) The Auditor of the Company and the auditors of each of the Master Funds must enter into an Information Exchange Agreement in order to share information regarding the Master Fund. This agreement describes, especially, the documents and categories of information to be routinely shared between auditors or available upon request, the manner and timing of transmission of information, the coordination of involvement of each auditor in accounting year-end procedures of the Feeder Sub-Funds and the Master Funds, reportable irregularities identified in the Master Funds and standard arrangements for *ad hoc* requests for assistance.

Each Feeder Sub-Fund is invested in specific shares of the Master Fund. The fees, charges and expenses of those specific shares of Master Fund associated with such investment are described in the Master Fund prospectus and details on the actual charges and expenses incurred at the level of the Master Fund are available on the website of the Management Company at [www.lfde.com/en/](http://www.lfde.com/en/).

Please refer to the section on "Fees and Expenses" in Part B of the Prospectus for additional information on fees and expenses payable by the Feeder Sub-Funds. The Key Information for Investors Documents issued for each Sub-Fund and Class of shares also contain additional information on ongoing charges incurred by the Feeder Sub-Funds (aggregated with the charges incurred at the level of the Master Fund).

If and to the extent that voting rights attached to shares of the Master Fund will be exercised on behalf of the Feeder Sub-Fund, a summary description of the strategies followed in the exercise of such rights, as well as the actions taken on the basis of those strategies, will be made available to investors upon their specific request addressed to the Management Company.

It is intended that the performance of the various Classes of shares offered by the Feeder Sub-Fund will be similar to that of the corresponding classes of shares of the Master Fund. However, the performance of both funds will not be equal due, in particular, to costs and expenses incurred by the Feeder Sub-Fund and if the Reference Currency of the Feeder Sub-Fund differs from that of the Master Fund.

Sustainability risks and ESG criteria



The objective of SFDR is to harmonise transparency rules with regards the integration of sustainability risks and the consideration of adverse sustainability impacts in the Sub-Funds' investment management processes and the provision of sustainability-related information.

Sustainability Risks (e.g. climate change, health and safety, companies with breach issues such as serious criminal penalties, etc) may represent a risk of its own and / or have an impact on other Sub-Funds' risks. Sustainability Risks may significantly contribute to the increase of the Sub-Fund's risks, such as market risks, credit risks and liquidity risks while negatively impacting the value and/or the return of the Sub-Funds.

The Sub-Funds, which comply with ESG criteria, systematically integrate environmental, social and governance criteria into financial management.

The ESG scoring is done on a scale of up to 10 (being a maximum) and is assigned to each issuer. It is composed as follows:

- Governance: The Governance score represents approximately 60% of the overall ESG score. This is a historic bias of La Financière de l'Echiquier which has attached particular importance to this subject since its creation.
- Environment and Social: Social and environmental criteria are brought together in a responsibility note. The calculation of this takes into account the type of company concerned:
  1. For industrial values: social and environmental criteria are equally weighted in the responsibility note.
  2. For service values: the "Social" scoring contributes 2/3 in the "Responsibility" scoring while the "Environment" scoring represents 1/3 of the "Responsibility" scoring.

This score may be reduced in the event of significant controversy.

The scoring of the Governance criteria is done in-house by the Management Company. However, the Environmental and Social criterias rely on the scoring methodology of a service provider.

The Sub-Funds apply the following approach:

- Firstly, all Sub-Funds exclude controversial sectors and practices;
- Secondly, all Sub-Funds apply the ESG scoring further described above.

Additionally, the SRI Sub-Funds (i.e. ECHIQUIER AGENOR SRI MID CAP EUROPE FUND, ECHIQUIER ARTY SRI FUND and ECHIQUIER MAJOR SRI GROWTH EUROPE FUND) must also comply with a minimum ESG scoring as indicated in their respective investment policy. These ESG scoring are binding and determined by the Management Company and applied to the entire direct underlying portfolio, thus excluding derivatives and units/shares held by any of the sub-funds in other investment vehicles. In the event that a company sees its ESG scoring drop below the minimum required by the Management Company for the relevant sub-funds / fund, the position on the issuer will be sold in the best interest of the Shareholders.

The ESG data sources used to assess and monitor the sustainability risks are mainly companies' public information, direct engagement with companies, financial press as well as external ESG data providers (if need be).

The limits to achieving these sustainability risks and ESG criteria objectives include the potential inconsistencies between the ESG strategies of the securities of global companies (e.g. different criteria, approaches, constraints, etc) and the accuracy, completeness and availability of ESG data sources.

As a conclusion, this approach has an impact on the selection of securities in these Sub-Funds.

For more detailed information on the ESG scoring methodology implemented in the relevant sub-funds / fund, investors are invited to refer to the La Financière de l'Echiquier Transparency Code available on the website <https://www.lfde.com/en/responsible-investment/to-find-out-more/>.

## 5. RISK FACTORS

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The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio as described in point X of section 4.2 of Chapter 4 "Investment Objectives and Policies" and further detailed in each Sub-Fund's specifics in Part B of this Prospectus.

The investments of each Sub-Fund are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment-return objective will be achieved. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investment. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

The discretionary management style is based on expectations of the performance of different markets (equities, bonds, etc.). However, any Sub-Fund may not be invested in the best-performing markets at all times. The fund's performance can therefore fall below the investment objective. The net asset value of the fund can also show negative performance. The risks inherent to the different Sub-Funds depend on their investment objective and policy, i.e. among others the markets invested in, the investments held in portfolio, etc.

Investors should be aware of the risks inherent to the following instruments or investment objectives, although this list is in no way exhaustive:

(i) Market risk

Market risk is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a portfolio's interest.

Market risk is specifically high on investments in shares (and similar equity instruments). The risk that one or more companies will suffer a downturn or fail to increase their financial profits can have a negative impact on the performance of the overall portfolio at a given moment.

The market risk may be further affected by sustainability risks. The value of the relevant Sub-Fund's investments may therefore be negatively impacted or exacerbated in case of occurrence of a sustainability risk (e.g. ESG issues, climate change, natural disaster, pandemics, etc).

(ii) Equity risk

The value of all Sub-Funds that invest in equity and equity related securities will be affected by economic, political, market, sustainability and issuer specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Sub-Fund's value are often exacerbated in the short-term as well. The risk that one or more companies in a Sub-Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

(iii) Interest rate risk

Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term fixed-income securities. A rise in interest rates generally can be expected to depress the value of the Sub-Funds' investments. The Sub-Fund shall be actively managed to mitigate market risk, but it is not guaranteed to be able to accomplish its objective at any given period.

(iv) Credit risk

Credit risk involves the risk that an issuer of a bond (or similar money-market instruments) held by the Company may default on its obligations to pay interest and repay principal and the Company will not recover its investment. The credit risk may be further affected by sustainability risks. The risk of default of a counterpart may therefore be negatively impacted or exacerbated in case of occurrence of a sustainability risk (e.g. ESG issues, climate change, natural disaster, pandemics, etc).

(v) Counterparty Risk

The Sub-Funds will be subject to the risk of the inability of any counterparty (including the Depository and Clearing Brokers) who to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

(vi) Currency risk

Currency risk involves the risk that the value of an investment denominated in currencies other than the Reference Currency of a Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates.

(vii) Liquidity risk

There is a risk that the Company will not be able to pay repurchase proceeds within the time period stated in the Prospectus, because of unusual market conditions, an unusually high volume of repurchase requests, or other reasons. The liquidity risk may be further affected by sustainability risks. The liquidity of the Fund may therefore be negatively impacted or exacerbated in case of occurrence of a sustainability risk (e.g. ESG issues, climate change, natural disaster, pandemics, etc).

(viii) Financial derivative instruments

The Sub-Funds may engage, within the limits established in their respective investment policy and the legal investment restrictions, in various portfolio strategies involving the use of derivative instruments for hedging or efficient portfolio management purposes.

The use of such derivative instruments may or may not achieve its intended objective and involves additional risks inherent to these instruments and techniques.

In case of a hedging purpose of such transactions, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for

which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

In case of a trading purpose of such transactions, the assets held in portfolio will not necessarily secure the derivative. In essence the Sub-Funds are therefore exposed to additional market risk in case of option writing or short forward/future positions (i.e. underlying needs to be provided/ purchased at exercise/maturity of contract).

Furthermore the Sub-Funds incur amplified risks due to the specificities of the structure of such derivative products (e.g. volatility of underlying, counterparty risk in case of OTC, market liquidity, etc.).

(ix) Emerging market risk

Investors should note that certain Sub-Funds may invest in less developed or emerging markets as described in the Sub-Funds' specifics in Part B of this Prospectus. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. The risk of significant fluctuations in the Net Asset Value (as defined in section 7 of Part A of this Prospectus) and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of shares of these Sub-Funds may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

The Company will seek, where possible to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore compensation

schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.

(x) Shenzhen and Shanghai-Hong Kong Stock Connect risks

*Quota limitations risk*

The Stock Connect is subject to quota limitations on investment, which may restrict the Sub-Fund's ability to invest through the Stock Connect on a timely basis, and the Sub-Funds may not be able to effectively pursue their investment policies.

*Suspension risk*

Both SEHK and SSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which would adversely affect the Sub-Fund's ability to access the PRC market.

*Differences in trading day*

The Stock Connect operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors cannot carry out any trading. The Sub-Funds may be subject to a risk of price fluctuations during the time when the Stock Connect is not trading as a result.

*Restrictions on selling imposed by front-end monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

*Clearing, settlement and custody risks*

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx (the "HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Shares traded through Shenzhen-Hong Kong or Shanghai-Hong Kong Stock Connect are issued in scripless form, so investors such as the Sub-Funds will not hold any physical shares. Hong Kong and overseas investors, such as the Sub-Funds, who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or depositaries' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Management Company.

### *Operational risk*

The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the Sub-Fund, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system (“China Stock Connect System”) to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Sub-Fund’s ability to access the A-share market (and hence to pursue their investment strategy) will be adversely affected.

### *Nominee arrangements in holding investments*

HKSCC is the “nominee holder” of the SSE securities acquired by overseas investors (including the Sub-Fund) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of the SSE securities acquired through the Stock Connect in accordance with applicable laws. However, the courts in the PRC may consider that any nominee or depositary as registered holder of SSE securities would have full ownership thereof, and that even if the concept of beneficial owner is recognized under PRC law those SSE securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Sub-Funds and the Depositary cannot ensure that the Sub-Fund’s ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities in the PRC or elsewhere. Therefore, although the relevant Sub-Fund’s ownership may be ultimately recognised, the Sub-Fund may suffer difficulties or delays in enforcing their rights.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Sub-Funds will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Sub-Fund suffers losses resulting from the performance or insolvency of HKSCC.

### *Legal and beneficial ownership risks*

Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local central securities depositaries, HKSCC and ChinaClear. As in other emerging markets, the only

legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership and of beneficial ownership or interest in securities.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depository and the Sub-Funds will have no legal relationship with HKSCC and no legal direct recourse against HKSCC in the event that the Sub-Funds suffer losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels of the liquidation of ChinaClear. In this event, the Sub-Funds may not fully recover their losses or their China Hong-Kong Stock Connect Programmes securities and the process of recovery could also be delayed.

#### *Investor compensation*

Investments of the Sub-Funds through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund in the PRC.

#### *Trading costs*

In addition to paying trading fees and stamp duties, the Sub-Funds may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers, which are yet to be determined by the relevant authorities.

#### *Regulatory risk*

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognize such rules, e.g. in liquidation proceedings of PRC companies. The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Funds, which may invest in the PRC markets through the Stock Connect may be adversely affected as a result of such changes.

#### *Government Control of Currency Conversion and Future Movements in Exchange Rates*

Since 1994, the conversion of onshore Renminbi CNY into other currencies has been based on rates set by the People's Bank of China, which are set daily based on the previous day's PRC interbank foreign exchange market rate. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of CNY to fluctuate



within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the CNY exchange rate will not fluctuate widely against any foreign currency in the future.

#### *Onshore versus offshore Renminbi differences risk*

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that subscriptions and redemptions will be in USD and will be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of the Renminbi outside the PRC.

#### *Restricted markets risk*

The Sub-Funds may invest in securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the Sub-Funds' holdings as compared to the performance of the Reference Index. This may increase the risk of tracking error and, at the worst, the Sub-Funds may not be able to fully achieve its investment objective and/or the Sub-Fund may face increased liquidity risks.

#### *Suspension risk*

Shares may only be bought from, or sold to, the Sub-Funds from time to time where the relevant security may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. Given that these markets are considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of Shares may also be disrupted.

#### *Operational and Settlement Risk*

Settlement procedures in the PRC are less developed and may differ from those in countries that have more developed financial markets. The Sub-Funds may be subject to a risk of substantial loss if an appointed agent (such as a broker or a settlement agent) defaults in the performance of its responsibilities. The Sub-Funds may incur substantial losses if its counterparty fails to pay for securities the Sub-Funds has delivered, or for any reason fails to complete its contractual obligations owed to the Sub-Fund. On the other hand, significant delays in settlement may occur in certain markets in registering the transfer of securities. Such delays could result in substantial losses for the Sub-Fund if investment opportunities are missed or if the Sub-Funds is unable to acquire or dispose of a security as a result. As a consequence, the broker model involving Delivery Versus Payment settlement must be chosen in order to limit counterparty risk.

#### *Changes in PRC taxation risk*

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies. Any changes in tax policies may reduce the after-taxation profits of the investments to which the performance of the Sub-Funds is linked.

### *Government intervention and restriction risk*

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions for certain stocks. This may affect the operation and market making activities of the Sub-Funds, and may have an unpredictable impact on the Sub-Funds.

Furthermore, such market interventions may have a negative impact on the market sentiment, which may in turn affect the performance of the Sub-Funds.

- (xi) Investment restrictions relating to techniques and instruments aimed at hedging exchange risks

In the context of the management of the investment portfolio, each Sub-Fund may use instruments with a view to hedging against exchange-rate fluctuations. These instruments include sales of forward foreign-exchange contracts, sales of currency futures, purchases of put options on currencies as well as sales of call options on currencies. Such transactions are limited to contracts and options which are traded on a regulated market, which is in continuous operation and which is recognised and open to the public. Furthermore, the Company may for each Sub-Fund enter into currency swaps in the context of over-the-counter transactions dealing with leading institutions specialised in this type of transaction.

- (xii) Foreign securities

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscator taxation and limitations on the use or removal of funds or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

- (xiii) Class Hedging risk

Each Sub-Fund may engage in currency hedging transactions with regards to a certain Class of shares. Hedged Share Classes are designed (i) to minimize exchange rate fluctuations between the currency of the Hedged Share Class and the base currency of the Sub-Fund or (ii) to reduce exchange rate fluctuations between the currency of the Hedged Share Class and other material currencies within the Sub-Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the base currency of the Sub-Fund or other material currencies within the Sub-Fund (the "reference currency(ies)") is(are) declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Share Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the net asset value of the Hedged Share Class until the following or a subsequent business day following the Valuation Date on which the instruction was accepted. This risk for holders of any Hedged Share Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the Luxembourg financial supervisory authority. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the Class of shares expressed in the reference currency(ies), if the Hedged Share Class currency falls against the reference currency(ies). Additionally, Shareholders of the Hedged Share Class may be exposed to fluctuations in the net asset value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class. Any financial instruments used to implement such hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Classes of the same Sub-Fund, costs which are principally attributed to a specific Class may be ultimately charged to the Sub-Fund as a whole. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

Share classes which are Hedged Share Classes will be indicated so in each Sub-Fund's specifics in Part B of this Prospectus.

(xiv) Foreign Currency risk

Since the Company values the portfolio holdings of each of its Sub-Funds in Euro or other currency as stated in the relevant Sub Fund's specifics in Part B of this Prospectus, changes in currency exchange rates adverse to those currencies may affect the value of such holdings and each respective Sub-Fund's yield thereon. Since the securities held by a Sub-Fund may be denominated in currencies different from its base currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such reference currency and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's Shares, and also may affect the value of dividends and interests earned by the Sub-Fund and gains and losses realised by said Sub-Fund. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security. To the extent that a Sub-Fund or any Class of shares seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Sub-Fund's investment policy, there is no

requirement that any Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction. Sub-Funds which use currency management strategies, including the use of cross currency forwards and currency futures contracts, may substantially change the Sub-Fund's exposure to currency exchange rates and could result in losses to the Sub-Fund if the currencies do not perform as the Investment Manager expects.

(xv) Effect of substantial withdrawals

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

(xvi) Political risks

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

(xvii) General economic conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

(xviii) Environmental, Social and Governance Risks

*The lack of ESG criteria standards can make comparability between different portfolios using these criteria difficult*

The security selection can involve a significant element of subjectivity when applying Environmental, Social and Governance filters. Indeed, due to the lack of ESG criteria and sub-criteria standards, ESG factors incorporated in the investment processes may vary depending on the investment themes, asset classes, investment philosophy and subjective use of different Environmental, Social and Governance criteria and sub-criteria governing the portfolio construction.

*The ESG investment approaches available in the market can be subject to different interpretations*

As the ongoing implied risk is the risk of portfolio "greenwashing", some investment firms will exploit the ESG area for marketing, rather than employing a sincere ESG investment strategy.

*The performance of Sub-Funds employing ESG criteria may differ*

The use of Environmental, Social and Governance criteria may affect the Sub-Funds' investment performance and, as such, Sub-Funds may perform differently compared to similar Sub-Funds that do not use such criteria. Indeed, the investment selection processes are different due to ESG criteria.

*Evolving ESG risks calculations makes ESG risk measurements difficult*

Since the assessment of Environmental, Social and Governance risks is still very much evolving, it is usually difficult to measure Environmental, Social and Governance risks directly as traditional risks. The Management Company must therefore manage the Fund's risks based on indirect measures of risk, like the (relative) scores of companies on the large number of Environmental, Social and Governance factors which are available on the market through data providers.

(xix) Risk of Investing in a Master Fund

Any Feeder Sub-Fund will also be subject to specific risks associated with its investment into the Master Fund as well as specific risks incurred at the level of the Master Fund and its investments. If the Master Fund invests in a particular asset category, investment strategy or financial or economic market, the Feeder Sub-Fund will then become more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular asset category, investment strategy or financial or economic market.

**Therefore, before investing in Shares, prospective Shareholders should carefully read the description of the risk factors relating to an investment in the Master Fund, as disclosed in the prospectus of the Master Fund which is available free of charge from the Management Company as well as on the website of the Management Company at [www.lfde.com/en/](http://www.lfde.com/en/).**

In addition to the above risk factors, prospective investors in Shares of a Feeder Sub-Fund should consider the following risks associated with the Feeder Sub-Fund's investment in the Master Fund.

*Liquidity and Valuation Risk*

When a Sub Fund is a Feeder Sub-Fund, it is intended that the Feeder Sub-Fund will invest substantially all of its assets in the Master Fund save for a residual cash amount which may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Feeder Sub-Fund.

The Net Asset Value of the Feeder Sub-Fund will mainly depend on the net asset value of the Master Fund.

Consequently, the Net Asset Value per Share may be determined only after the net asset value of the Master Fund has been determined, and the number of Shares to be issued to, exchanged or redeemed from, an investor in the Feeder Sub-Fund may not be determined until the net asset value per share of the Master Fund is determined. The determination of the Net Asset Value per Share may be suspended upon a suspension of the calculation of the net asset value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of shares in the Master Fund, in accordance with the provisions under the section "Net Asset Value" below.

The rules applied to calculate the Net Asset Value per Share, as described under the section "Net Asset Value" below, presume the Feeder Sub-Fund's ability to value its investment in the Master Fund. In valuing such investment holdings, the Feeder Sub-Fund may rely on financial information provided by the Management Company

and the administrator of the Master Fund. Independent valuation sources such as exchange listing may not be available for the Master Fund.

#### *Operational and Legal Risks*

The main operational and legal risks associated with any Feeder Sub-Fund's investment in the Master Fund include, without being limited to, the Feeder Sub-Fund's access to information on the Master Fund, coordination of dealing arrangements between the Feeder Sub-Fund and the Master Fund, the occurrence of events affecting such dealing arrangements, the communication of documents from and to the Master Fund to and from the Feeder Sub-Fund, the coordination of the involvement of the respective depositary and auditor of the Feeder Sub-Fund and the Master Fund and the identification and reporting of investment breaches and irregularities by the Master Fund.

Such operational and legal risks will be mitigated and managed by the Management Company, the Depositary and the Independent Auditor, as applicable, in coordination with the depositary, the administrator and the auditor of the Master Fund. A number of documents and/or agreements are in place to that effect, including (1) internal conduct of business rules established by the Management Company, (2) an information sharing agreement between the Depositary and the depositary of the Master Fund, and (3) an information exchange agreement between the Independent Auditor and the auditor(s) of the Master Fund.

#### *Currency Risk*

The Reference Currency of the Feeder Sub-Fund and the Master Fund may differ and the underlying investments of the Master Fund are denominated in a variety of currencies. Generally, the Management Company will not seek to hedge out currency exposure at Feeder Sub-Fund's level (unless specified otherwise in the Sub Fund's specifics in Part B of this Prospectus). Equally, the Management Company will not seek to hedge out any currency exposure at the Master Fund's level. Consequently, the performance of the Feeder Sub-Fund may be strongly influenced by movements in foreign exchange rates because the Reference Currency of the Feeder Sub-Fund will not correspond to that of the Master Fund and may not correspond to the currency of the securities positions held in the Master Fund.

#### *Concentration Risk and Market risk*

Given the feeder nature of the Feeder Sub-Fund it will naturally be concentrated in the Master Fund. Therefore, concentration risks and market risks will mainly occur at the level of the Master Fund. In this respect, Shareholders should carefully read the risks associated with an investment in the Master Fund, as described in the prospectus of the Master Fund.

#### *Investment Management Risk*

The investment performance of the Feeder Sub-Fund is substantially dependent on the investment performance of the Master Fund and, therefore, on the services provided by certain individuals to the Master Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Master Fund and, consequently, the Feeder Sub-Fund, may be adversely affected.

## 6. SUB-FUNDS AND SHARES OF THE COMPANY

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Under the Articles of the Company, the Directors have the power to create and issue several different Sub-Funds, whose characteristics may differ from those Sub-Funds then existing.

The Directors shall maintain for each Sub-Fund a separate pool of assets. As between shareholders, each pool of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. With regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

Under the Articles of the Company, the Directors have the power to create and issue within each Sub-Fund several different classes of shares within each Sub-Fund, whose characteristics may differ from those Classes existing.

The differences between the Classes may relate inter alia to the initial subscription price per share, the reference currency of the Class, the types of investors who are eligible to invest, the subscription and repurchase frequency, the charging structure applicable to each of them, the distribution policy or such other features as the Board of Directors may, in their discretion, determine.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Board of Directors may in this connection require a shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the shares which he holds.

Within each Class, the Board of Directors is authorised, without limitation and at any time, to issue additional shares at the respective Net Asset Value per share determined in accordance with the provisions of the Company's Articles, without reserving to existing Shareholders preferential or pre-emptive rights to subscribe for the shares to be issued.

On issue, all shares have to be fully paid up. The shares do not have any par value. Each share carries one vote, regardless of its Net Asset Value and of the Sub-Fund to which it relates.

Shares are only available in registered form. No share certificates will be issued in respect of registered shares; registered share ownership will be evidenced by confirmation of ownership and registration on the share register of the Company.

Fractions of shares may be issued up to one thousandth of a share. The resultant fractional shares shall have no right to vote but shall have the right to participate pro-rata in distributions and allocation of the proceeds of liquidation in the event of the winding-up of the Company or in the event of the termination of the Company.

The Sub-Funds' specifics in Part B of this Prospectus detail the Classes available in each Sub-Fund.

Upon creation of a new Sub-Fund and Class, the Prospectus will be updated accordingly.

The Board of Directors is empowered to determine - on a case-by-case basis - whether certain investors are or are not to be categorised as institutional investors.

The specifics of each Class in relation to fees and expenses payable and the currency of each Class are indicated in each Sub-Fund's specifics (section "Expenses") in Part B of this Prospectus.



## **7. INCOME POLICY**

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Within each Class of shares, the Board of Directors may decide to issue accumulating and/or distributing shares. The dividend policy applicable for each Class of shares or Sub-Fund is further described in each Sub-Fund's specifics in Part B of this Prospectus.

If a dividend is declared by the Company, it will be paid to each shareholder concerned in the reference currency of the relevant Class.

Dividend payments are restricted by law in that they may not reduce the assets of the Company below the required minimum capital.

In the event that a dividend is declared and remains unclaimed after a period of five (5) years from the date of declaration, such dividend will be forfeited and will revert to the Class or Sub-Fund in relation to which it was declared.

## 8. NET ASSET VALUE

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The Net Asset Value per share of each Class will be determined for each Valuation Date as indicated in the Sub-Funds' specifics in Part B of this Prospectus and expressed in the reference currency of the respective Class, by the central administrator of the Company by dividing the value of the assets of the Sub-Fund properly able to be allocated to such Class less the liabilities of the Sub-Fund properly able to be allocated to such Class by the number of shares then outstanding in the class on the relevant Valuation Date. The Net Asset Value per share of each Class may be rounded up or down to the nearest two decimals of the reference currency of such Class of shares. The Sub-Funds' specifics in Part B of this Prospectus detail the Valuation Date for each Sub-Fund.

When a Valuation Date should not be considered as a full Bank Business Day, the Company may decide that a Net Asset Value will not be calculated for such Valuation Date.

The value of the assets of each Sub-Fund is determined on the Calculation Day as follows:

1. transferable securities and money market instruments admitted to official listing on a stock exchange or dealt with in on another market in an OECD member country which is regulated, operates regularly and is recognised and open to the public provided, are valued on the basis of the last known price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establish the probable sales price for such securities;
2. non-listed securities are valued on the basis of their probable sales price as determined in good faith by the Board of Directors or its delegate;
3. Shares or units of UCITS (including any Master Fund) or other UCIs are valued at the latest available net asset value per share;
4. liquid assets are valued at their nominal value plus accrued interest;
5. derivatives are valued at market value;
6. the Board of Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, it considers that such adjustment is required to reflect the fair value thereof;
7. if the Board of Directors deems it necessary, a specific investment may be valued under an alternative method of valuation chosen by the Board of Directors.

Whenever a foreign exchange rate is needed in order to determine the Net Asset Value of a Class, the applicable foreign exchange rate on the respective Valuation Date will be used.

In addition, appropriate provisions will be made to account for the charges and fees charged to the Sub-Funds and Classes as well as accrued income on investments.

In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Board of Directors is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub-Fund's total assets.

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company and at the Management Company's offices.

The calculation of the Net Asset Value of the shares of any Class and the issue, redemption and conversion of the shares of any Sub-Fund may be suspended by the Board of Directors in the following circumstances:

- following a suspension of the calculation of the net asset value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of shares in the Master Fund; or
- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed, which is the main market or stock exchange for a significant part of the Sub-Fund's investments, for in which trading therein is restricted or suspended; or
- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible for the Company fairly to determine the value of any assets in a Sub-Fund; or
- during any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund's investments or of current prices on any stock exchange; or
- when for any reason (i) the prices of any investment owned by the Sub-Fund cannot be reasonable, promptly or accurately ascertained or (ii) the calculation of the net asset value of any relevant Master Fund is suspended; or
- during the period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or
- following a possible decision to liquidate or dissolve the Company or one or several Sub-Funds; or
- in the case of a merger, if the Board of Directors deems this to be justified for the protection of the shareholders; or
- in all other cases in which the Board of Directors considers a suspension to be in the best interest of the Shareholders.

The suspension of the calculation of the Net Asset Value and of the issue, redemption and conversion of the shares shall be notified to shareholders having made an application for subscription, redemption or conversion of shares for which the calculation of the Net Asset Value and of the issue, redemption and conversion of the shares has been suspended.

## 9. ISSUE OF SHARES

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Applications may be made in writing by fax, SWIFT, Neolink or STP addressed to the Transfer Agent, the Distributor, the Depositary, the Nominee of the Company or any intermediary situated in a country where the Company is marketed specifying the number of shares or amount subscribed for, the name of the Sub-Fund and Class, the manner of payment and the personal details of the subscriber. Orders sent directly to the Transfer Agent can also be sent by swift.

A subscription fee calculated on the Net Asset Value of the shares as specified in each Sub-Fund's specifics and to which the application relates as well as the percentage amount of which is indicated for each Class in the table in Part B of this Prospectus (see section "Expenses" in each Sub-Fund's specifics), may be charged to the investors by the Nominee, the Distributor, any appointed sub-distributor or by the Registrar and Transfer Agent upon a subscription for shares in a Class.

### 9.1 Initial Subscription Period

The initial subscription period (which may last one day) and price of each newly created or activated Sub-Fund or Class will be determined by the Directors and disclosed in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments for subscriptions made during the initial subscription period must have been received in the Reference Currency of the relevant Sub-Fund / Class of shares by the Company within the time period indicated in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments must be received by electronic transfer net of all bank charges.

The Board of Directors may at any time decide the activation of a Class.

Upon activation of a new Class in a Sub-Fund, the price per share in the new Class will, at its inception, correspond to the price per share during the initial subscription period in the relevant Sub-Fund or to the current Net Asset Value per share in an existing Class of the relevant Sub-Fund, upon decision of the Board of Directors.

### 9.2 Subsequent Subscriptions

Following any initial subscription period, the issue price per share will be the Net Asset Value per share on the applicable Valuation Date.

Subscriptions received by the Registrar and Transfer Agent before the applicable cut-off time on a Valuation Date as specified in the Sub-Funds' specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value of that Valuation Date. Subscriptions received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. The investor will bear any taxes or other expenses attaching to the application.

Subscription proceeds will be paid in the reference currency of the respective Class. Payment will be effected within two (2) days after the relevant Valuation Date.

All shares will be allotted immediately upon subscription and payment must be received by the Company within the time period as described in each Sub-Fund in Part B of this prospectus. If payment is not received, the relevant allotment of shares may be cancelled

at the risk and cost of the shareholder. Payments should preferably be made by bank transfer and shall be made in the reference currency of the relevant Class; if payment is made in another currency than the reference currency of the relevant Class, the Company will enter into an exchange transaction at market conditions and this exchange transaction could lead to a postponement of the allotment of shares.

Payments made by the investor by cheque are not accepted.

The Board of Directors reserves the right to accept or refuse any subscriptions in whole or in part for any reason.

In case a subscription is rejected after the applicable Valuation Date, the assets will be returned to the investor at the lower of the Net Asset Value at the date of rejection or the subscription price without payment of any interest.

The issue of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

### 9.3 Minimum Initial Subscription and Holding

Classes dedicated to specific investors, may have a minimum subscription and / or holding amount as indicated in the Sub-Funds' specifics in Part B of the Prospectus. The Company may in its discretion waive this minimum subscription and / or holding amount. In particular, this applies for Shareholders staggering investments over time, reaching above-mentioned thresholds over time.

If, as a result of redemption, the value of a Shareholder's holding in a Class would become less than the relevant minimum holding amount as indicated above, then the Board of Director of the Company may elect to redeem the entire holding of such Shareholder in the relevant Class. It is expected that such redemptions will not be implemented if the value of the Shareholder's shares falls below the minimum investment limits solely as a result of market conditions. Thirty (30) calendar days prior written notice will be given to Shareholders whose shares are being redeemed to allow them to purchase sufficient additional shares so as to avoid such compulsory redemption.

### 9.4 Stock Exchange listing

Shares of different Sub-Funds and their Classes may at the discretion of the Directors of the Company be listed on Stock Exchanges, in particular the Luxembourg Stock Exchange.

## 10. REDEMPTION OF SHARES

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A Shareholder has the right to request that the Company redeems its shares at any time by specifying the number of shares or amount to be redeemed. Shares will be redeemed at the respective Net Asset Value of shares of each Class. Orders sent directly to the Transfer Agent can also be sent by swift.

In any case, no redemption will be accepted and executed before having successfully performed all anti-money laundering checks. In the case where the acceptance of any redemption order would be delayed for any anti-money laundering purpose at the discretion of the Board of Directors, such a redemption order will be executed on the basis of the Net Asset Value of shares immediately applicable on the day of such acceptance without payment of any interest.

A redemption fee calculated on the Net Asset Value of the shares to which the application relates, the percentage amount of which is indicated for each Class in the tables in Part B of this Prospectus (see section "Expenses" in each Sub-Fund's specifics), may be charged to the investors by the Nominee, the Distributor, any appointed sub-distributor or by the Registrar and Transfer Agent upon a redemption for shares in a Class.

Shareholders wishing to have all or any of their shares redeemed at the redemption price on a Valuation Date, should deliver to the Registrar and Transfer Agent before the cut-off time on a Valuation Date as specified in the Sub-Fund's specifics in Part B of this Prospectus, an irrevocable written request for redemption in the prescribed form. Redemption requests received by the Registrar and Transfer Agent after such determined cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date.

All requests will be dealt with in strict order in which they are received, and each redemption shall be effected at the Net Asset Value of the said shares.

Redemption proceeds will be paid in the reference currency of the respective Class. Payment will be effected within two (2) days after the relevant Valuation Date and after receipt of the proper documentation.

**Shareholders should note that any redemption of shares by the Company will take place at a price that may be more or less than the Shareholder's original acquisition cost, depending upon the value of the assets of the Sub-Fund at the time of redemption.**

The payment of the redemption price may be made in consideration in kind at the Board of Directors' discretion, subject however to the prior approval of the concerned Shareholders. The allotment of Fund's assets in respect of redemption for consideration in kind shall be fair and not detrimental to the interests of the other Shareholders of the Company. Any redemption for consideration in kind shall be subject to the confirmation by an auditor's special report of the valuation of the Company and of the Company's assets to be allocated, the costs of which shall be borne by the Company.

The redemption of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

If requests for redemption on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Company, at the discretion of the Board of Directors reserves the right to postpone redemption of all or part of such shares to the following Valuation Date.

On the following Valuation Date such requests will be dealt with in priority to any subsequent requests for redemption.

#### 10.1 Excessive trading and dilution levy

Investments in the Sub-Funds are intended for long-term purposes only. The Company will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading into and out of a Sub-Fund can disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term shareholders.

The value of the property of a Sub-Fund may indeed be reduced as a result of the costs incurred in the dealings in the Sub-Funds' investments.

In order to mitigate against the above-described excessive trading and dilution, and consequent potential adverse effect on remaining Shareholders, the Company has the power to charge a fee upon redemption corresponding to a dilution levy. Any dilution levy must be fair to all Shareholders and the Company will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose.

The Company is unlikely to impose a dilution levy unless the dealing costs relating to a Shareholder transaction are significant and/or will have a material impact on the value of the Sub-Fund in question. Dealing costs (e.g. broker commissions and buy/sell spreads) will be considered significant if they impact the Net Asset Value by maximum 10bps. Any dilution levy would be paid to the Sub-Fund and would become part of the property of the relevant Sub-Fund.

#### 10.2 Compulsory redemptions

The Board of Directors may decide to compulsory redeem Shares when:

- a) The Shares are held by Shareholders not authorized to buy or own Shares in the Company, e.g. a Shareholder (or an affiliate of the same) that becomes a US person as referred to in this Prospectus;
- b) In case of liquidation or merger of Sub-Funds or Classes of Shares;
- c) the value of a Shareholder's holding in a Class is less than the relevant minimum holding amount;
- d) In all other circumstances as the Board of Directors may deem appropriate and in the interests of the Company.

Except in the cases b), c) and d) above, the Board of Directors may impose such penalty as it deems fair and appropriate.

## 11. CONVERSION BETWEEN SUB-FUNDS/CLASSES OF SHARES

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Shares of any Class may be converted into shares of any other Class of the same or of another Sub-Fund, upon written instructions addressed to the registered office of the Company or the Distributor. No conversion fee will be charged. Shareholders may be requested to bear the difference in subscription fee between the Sub-Fund they leave and the Sub-Fund of which they become shareholders, should the subscription fee of the Sub-Fund into which the Shareholders are converting their shares be higher than the fee of the Sub-Fund they leave.

Conversion orders received by the Registrar and Transfer Agent on a Valuation Date before the cut-off time as specified in the Sub-Funds' specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value established on that Valuation Date. Conversion requests received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. Conversion of shares will only be made on a Valuation Date if the Net Asset Value of both share Classes is calculated on that day.

The Board of Directors will determine the number of shares into which an investor wishes to convert his existing shares in accordance with the following formula:

$$A = \frac{(B \times C)}{E} * EX$$

A = The number of shares in the new Class of shares to be issued

B = The number of shares in the original Class of shares

C = The Net Asset Value per share in the original Class of shares

E = The Net Asset Value per share of the new Class of shares

EX: being the exchange rate on the conversion day in question between the currency of the Class of shares to be converted and the currency of the Class of shares to be assigned. In the case no exchange rate is needed the formula will be multiplied by one (1).

If requests for conversion on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Company reserves the right to postpone the conversion of all or part of such shares to the following Valuation Date. On the following Valuation Date such requests will be dealt with in priority to any subsequent requests for conversion.

The conversion of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.



## **12. LATE TRADING/MARKET TIMING POLICY**

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The Company takes appropriate measures to assure that subscription, redemption and conversion requests will not be accepted after the time limit set for such requests in this Prospectus.

The Company does not knowingly allow investments which are associated with market timing or similar practices as such practices may adversely affect the interests of all Shareholders. The Company reserves the right to reject subscription, redemption and conversion orders from an investor who the Company suspects of using such practices and to take, if appropriate, other necessary measures to protect the other investors of the Company.

As set out in the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset values.

Professional investors subject to prudential requirements (Solvency II) may ask the Management Company for funds' assets portfolios. Communication of such information shall be managed in accordance with regulators provisions.

### 13. TAXATION IN LUXEMBOURG

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Under Luxembourg law, there are currently no Luxembourg taxes on income, withholding or capital gains by the Company. The Company is, however, subject to a *taxe d'abonnement* of 0.05% per annum, calculated and payable quarterly, on the aggregate Net Asset Value of the outstanding shares of the Company at the end of each quarter. This annual tax is however reduced to 0.01% on the aggregate Net Asset Value of the shares dedicated to institutional investors.

Shareholders are, at present, not subject to any Luxembourg capital gains, income, withholding, gift, estate, inheritance or other tax with respect to shares owned by them (except, where applicable, Shareholders who are domiciled or reside or have permanent establishment or have been domiciled or have resided in Luxembourg).

Prospective investors should inform themselves as to the taxes applicable to the acquisition, holding and disposition of shares of the Company and to disposition of shares of the Company and to distributions in respect thereof under the laws of the countries of their citizenship, residence or domicile.

#### Savings Directive or EUSD

The Savings Law implemented into Luxembourg Law Savings Directive or EUSD. On 10 November 2015, the Council of the European Union decided to repeal the Savings Directive with effect as at 1 January 2016. As from that date, CRS applies in EU countries, including Luxembourg. Therefore, as from 1 January 2016, Luxembourg did not apply anymore EUSD regime but CRS regime. Additional information on the CRS regime is available in the related sub-section below.

#### CRS

The OECD received a mandate by the G8/G20 countries to develop a CRS to achieve a comprehensive and multilateral automatic exchange of information in the future on a global basis. The CRS has been incorporated in the DAC, adopted on 9 December 2014, which the EU Member States had to incorporate into their national laws by 31 December 2015. In this respect, AEOI Law was published in the Mémorial A – N° 244 on 24 December 2015.

The CRS requires Luxembourg Financial Institutions to identify their account holders (including in the case of an Investment Entity equity and debt holders) and establish where they are fiscally resident. In this respect, a Luxembourg Financial Institution should obtain a self-certification to establish the CRS status and/or tax residence of its investors at account opening.

Luxembourg Financial Institutions will need to perform their first reporting of financial account information for the year 2016 about investors and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) to the Luxembourg tax authorities ("*Administration des contributions directes*") by 30 June 2017. The Luxembourg tax authorities will automatically exchange this information with the competent foreign tax authorities by the end of September 2017.

#### Data protection

According to the AEOI Law and Luxembourg data protection rules, each individual concerned shall be informed on the processing of his/her personal data before the Reporting Luxembourg Financial Institution processes the data. If the individual qualifies as Reportable Person in the aforementioned context, the Company will inform the individual in accordance with the Luxembourg data protection law.

- In this respect, the Company as Reporting Luxembourg Financial Institution will be responsible for the personal data processing and will act as data controller for the purpose of the AEOI Law.
- The personal data is intended to be processed for the purpose of the AEOI Law and the CRS/DAC 2.
- The data may be reported to the Luxembourg tax authorities ("*Administration des contributions directes*"), which may in turn continue these data to the competent authorities of one or more Reportable Jurisdictions.
- For each information request for the purpose of the AEOI Law sent to the individual concerned, the answer from the individual will be mandatory. Failure to respond within the prescribed timeframe may result in (incorrect or double) reporting of the account to the Luxembourg tax authorities.
- Each individual concerned has a right to access any data reported to the Luxembourg tax authorities for the purpose of the AEOI Law and, as the case may be, to have these data rectified in case of error.

All personal data of Shareholders contained in any document provided by such Shareholders and any further personal data collected in the course of the relationship with the Company may be collected, recorded, stored, adapted, transferred or otherwise processed and used (hereinafter "processed") by the Company or the Management Company. Such data shall be processed for the purposes of account administration, anti-money laundering identification and the development of the business relationship. To this end, data may be transferred to companies appointed by the Company or the Management Company, to support the Company's activities.

Each Shareholder, by signing the subscription agreement, gives its agreement to such processing of his personal data, as provided by the applicable regulatory framework on the protection of the persons with regard to the processing of personal data.

Further details on the terms and conditions on the processing of data are available upon request and free of charge at the registered office of the Company.

The Company, acting as data controller, collects, stores and processes by electronic or other means the data supplied by the Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations.

Any data collected by the Company are to be processed in accordance with the data protection law applicable to the Grand Duchy of Luxembourg and the Data Protection Law.

The data processed includes the name, address and invested amount of each Shareholder as well as any data requested by the Company in order to ensure the Company's compliance with applicable anti-money laundering/know your customer, counter terrorist financing, FATCA and CRS rules (the "Personal Data").

The investor may, at his discretion, refuse to communicate the Personal Data to the Company. In this case, however, the Company may reject his request for subscription of Shares in the Company.

In particular, the data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and

conversions of Shares and payments of dividends to Shareholders, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering/know your customer, counter terrorist financing, FATCA and CRS rules.

The Company can delegate to another entity located in the European Union (the Management Company, the Distributor, the Administrative Agent, the Investment Manager (if any), or the Registrar Agent) the processing of the Personal Data. The Company may also transfer Personal Data to third parties such as governmental or regulatory agencies including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations.

The Shareholder has the right to:

- access his/her Personal Data;
- correct his/her Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her Personal Data;
- ask for erasure of his/her Personal Data;
- ask for Personal Data portability under certain conditions.

The Shareholder also has the right to object to the use of his/her Personal Data for marketing purposes.

The Shareholder may exercise the above rights by writing to the Company at its registered office.

The Shareholder also acknowledges the existence of his/her right to lodge a complaint with the National Commission for Data Protection.

Personal Data shall not be retained for longer than the time required for the purpose of its processing, subject to the legal limitation periods.

#### Tax implication of the investment into the Master Fund for the Company

The investment into the Master Fund has no specific Luxembourg tax impact.

#### **14. CENTRAL ADMINISTRATION, DEPOSITARY, TRANSFER, REGISTRAR & PAYING AGENT**

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The Management Company and the Company have entered into an Administration Agreement with BNP Paribas Securities Services – Luxembourg Branch on 15 October 2013 for an indefinite period of time.

This Agreement may be terminated by either party with 90 calendar days prior written notice.

Under the above mentioned Agreement, BNP Paribas Securities Services –Luxembourg Branch will provide the Company under supervision and responsibility of the Management Company with services as Central Administration Registrar and Transfer Agent and domiciliation agent. It will carry out the necessary administrative work required by law and the rules of the Company and establish and keep books and records including the register of shareholders of the Company. It will also execute all subscription, redemption and conversion applications and determine the Net Asset Value of the Company.

In consideration of its services as central administration, BNP Paribas Securities Services – Luxembourg Branch will receive a central administration fee out of the assets of the Company as specified in the Sub-Funds' specifics in Part B of the Prospectus.

BNP Paribas Securities Services, Luxembourg Branch has been appointed Depositary of the Company under the terms of a written agreement dated 8 December 2016 between BNP Paribas Securities Services, Luxembourg Branch, the Management Company and the Company.

BNP Paribas Securities Services Luxembourg is a branch of BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA. BNP Paribas Securities Services SCA is a licensed bank incorporated in France as a *Société en Commandite par Actions* (partnership limited by shares) under No.552 108 011, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 3 rue d'Antin, 75002 Paris, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, and is supervised by the CSSF.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 34.1 of the Investment Fund Law), (ii) the monitoring of the cash flows of the Company (as set out in Art 34.2 of the Investment Fund Law) and (iii) the safekeeping of the Company's assets (as set out in Art 34.3 of the Investment Fund Law).

Under its oversight duties, the Depositary is required to:

- (1) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Investment Fund Law or with the Company's Articles;
- (2) ensure that the value of Shares is calculated in accordance with the Investment Fund Law and the Company's Articles;
- (3) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the Investment Fund Law or the Company's Articles;

(4) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;

(5) ensure that the Company's revenues are allocated in accordance with the Investment Fund Law and its Articles.

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary.

Such other business may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Company or the Management Company, or
- Selection of BNP Paribas Securities Services or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - o Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - o Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - o Implementing a deontological policy;
  - o Recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
  - o Setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products /activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its

respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystallizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates (hereafter the "Sub-Custodians") for its safekeeping duties is available on the website : <http://securities.bnpparibas.com/solutions/depositary-bank-trustee-services.html>.

Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary. Updated information on the Depositary's duties and the conflict of interests that may arise are available to Shareholders upon request.

The Management Company acting on behalf of the Company may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Company. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two months.

BNP Paribas Securities Services – Luxembourg Branch shall also act as paying agent for the Company in connection with the receipt of payments in respect of the issue of shares, the payment of monies in respect of the repurchase of shares and if applicable the payment of dividends.

In consideration of its services as Depositary, BNP Paribas Securities Services – Luxembourg Branch will receive a depositary fee out of the assets of the Company as specified in the Sub-Funds' specifics in Part B of the Prospectus.

## 15. MONEY LAUNDERING PREVENTION

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Any Shareholder will have to establish its identity to the Company, the Central Administration or to the intermediary which collects the subscriptions, provided that the intermediary is regulated and located in a country that imposes an identification obligation equivalent to that required under Luxembourg law (including the law of November 12, 2004 as amended and the circulars issued by the CSSF).

Such identification shall be evidenced when subscribing for Shares as follows:

In order to appropriately identify the beneficial owners of the funds invested in the Company and to contribute to the fight against money laundering and financing of terrorism, subscription requests to the Company by Shareholders must include:

- in the case of natural persons: a certified and valid copy of the investor 's identity card or passport (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, police commissioner, bank domiciled in a country that imposes an identification obligation equivalent to that required under Luxembourg law or any other competent authority) and utility bill;
- for corporate entities: an original or a certified and valid copy of the Articles, an extract of the register of commerce, the list of Shareholders of the company and the identification documents of those holding more than 25% of the assets of the company (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, police commissioner, bank domiciled in a country that imposes an identification obligation equivalent to that required under Luxembourg law or any other competent authority);

This identification obligation applies in the following cases:

- direct subscriptions to the Company;
- subscription via an intermediary which is domiciled in a country in which it is not legally obliged to use an identification procedure equivalent to the one required by Luxembourg law in the fight against money laundering and terrorist financing (including foreign subsidiaries or branches of which the parent company is subject to an identification procedure equivalent to the one required by Luxembourg law if the law applicable to the parent company does not oblige the parent company to ensure the application of these measures by its subsidiaries or branches).

It is generally accepted that professionals of the financial sector resident in a country which has ratified the recommendations of the FATF are deemed to be intermediaries having an identification obligation equivalent to that required under the applicable law. The complete updated list of countries having ratified the recommendations of the FATF is available on [www.fatf-gafi.org](http://www.fatf-gafi.org).

Subscriptions may be temporarily suspended until identification of the Shareholders has been appropriately performed. Failure to provide sufficient or additional information may result in an application not being processed or an investor being rejected.

The Central Administration of the Company may require at any time additional documentation relating to an application for shares.



## 16. NOMINEES

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The Company may enter into nominee agreements.

In such case, the Nominee shall, in its name but as nominee for the investor, purchase, request the conversion or request the redemption of shares for the investor and request registration of such operations in the Company's books. However, the investor:

- a) may invest directly in the Company without using the Nominee service;
- b) has a direct claim on its shares subscribed in the Company;
- c) may terminate the mandate at any time with prior written notice.

The provisions under a), b) and c) are not applicable to Shareholders solicited in countries where the use of the service of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Company will ensure that the Nominee presents sufficient guarantees for the proper execution of its obligations toward the Shareholders who utilise its services. In particular, the Company will ensure that the Nominee is a professional duly authorised to render nominee services and domiciled in a country in which it is legally obliged to use an identification procedure equivalent to the one required by Luxembourg law in the fight against money laundering and terrorist financing.

## 17. EXPENSES

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The Company may bear the following expenses, at the Board of Directors discretion:

- all fees to be paid to the Management Company, the Central Administration, the Investment Manager(s) (if any), the Investment Advisor(s) (if any), the Depositary and any other agents that may be employed from time to time;
- all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- standard brokerage, and bank charges incurred on the Company's business transactions;
- all fees due to the Auditor and the legal advisors;
- all expenses connected with publications and supply of information to Shareholders, in particular and where applicable, the cost of drafting, printing, translating and distributing the annual and semi-annual reports, as well as any prospectuses and key investor information documents;
- all expenses involved in registering and maintaining the Company registered with all governmental agencies and stock exchanges;
- the remuneration of the Directors, the insurance of Directors if any, and their reasonable out-of-pocket expenses;
- all other fees and expenses incurred in connection with its operation, administration, management and distribution.

The attention of Shareholders is drawn to the fact that some of the above listed expenses may be payable to the Management Company on top of the Management Fee.

All recurring expenses will be charged first against current income, then should this not be sufficient, against realised capital gains, and, if need be, against assets.

Each Sub-Fund shall amortise its own expenses of establishment over a period of five (5) years as of the date of its creation. The expenses of first establishment will be exclusively charged to the Sub-Funds opened at the incorporation of the Company and shall be amortised over a period not exceeding five (5) years.

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Company will be charged to all Sub-Funds in proportion to their average Net Asset Value. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

The different Sub-Funds of the Company may have one or several investment advisors and/or investment managers. The Board of Directors of the Company determine their investment policy and its application to the different Sub-Funds in question. Under Luxembourg law, the Company including all its Sub-Funds is regarded as a single legal entity. However, pursuant to article 181 of the Investment Fund Law, as amended, each Sub-Fund shall be liable for its own debts and obligations. In addition, each Sub-Fund will be deemed to be a separate entity having its own contributions, capital gains, losses, charges and expenses.

The Company is required to indemnify, out of its assets only, officers, employees and agents of the Company, if any, and the Board of Directors for any claims, damages and liabilities to which they may become subject because of their status as managers, officers, employees, agents of the Company or Board of Directors, or by reason of any actions taken or omitted to be taken by them in connection with the Company, except to the extent caused by their gross negligence, fraud or willful misconduct or their material breach of the provisions of the Prospectus.

## **18. NOTICES AND PUBLICATION**

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Notices to Shareholders are available at the Company's registered office. If required by law, they will be published in the RESA and in the "d'Wort" in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine.

The Net Asset Value of each Sub-Fund and the issue and redemption prices thereof will be available at all times at the Company's registered office.

Audited annual reports will be made available at the registered office of the Company no later than four (4) months after the end of the financial year and unaudited semi-annual reports will be made available two (2) months after the end of such period.

All reports will be available at the Company's registered office. The first financial reports were an audited annual financial report dated 31 December 2013 and an unaudited financial report dated 30 June 2014.

## **19. LIQUIDATION OF THE COMPANY, TERMINATION OF THE SUB-FUNDS AND CLASSES OF SHARES, CONTRIBUTION OF SUB-FUNDS AND CLASSES OF SHARES**

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### 19.1 Liquidation of the Company

In the event of the liquidation of the Company, liquidation shall be carried out by one (1) or several liquidators (approved by the CSSF) appointed by the meeting of the Shareholders deciding such dissolution and which shall determine their powers and their compensation. The liquidators shall realise the Company's assets in the best interest of the Shareholders and shall distribute the net liquidation proceeds (after deduction of liquidation charges and expenses) to the Shareholders in proportion to their shares in the Company in cash or in kind. Any amounts not claimed promptly by the Shareholders will be deposited at the close of liquidation in escrow with the *Caisse de Consignation*. Amounts not claimed from escrow within the statute of limitations will be forfeited according to the provisions of Luxembourg law.

### 19.2 Termination of a Sub-Fund or a Class of shares

A Sub-Fund or Class may be terminated by resolution of the Board of Directors of the Company if the Net Asset Value of a Sub-Fund or of a Class is below an amount as determined by the Board of Directors from time to time, or if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if necessary in the interests of the Shareholders or the Company. In such event, the assets of the Sub-Fund or Class will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of shares in that Sub-Fund or Class in cash or in kind. Notice of the termination of the Sub-Fund or Class will be given in writing to registered Shareholders and/or will be published in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine.

In accordance with the provisions of the Investment Fund Law, only the liquidation of the last remaining Sub-Fund of the Company will result in the liquidation of the Company as referred to in Article 145 of the Investment Fund Law. In this case, and as from the event given rise to the liquidation of the Company, and under penalty of nullity, the issue of shares shall be prohibited except for the purpose of liquidation.

Any amounts not claimed by any Shareholder shall be deposited at the close of liquidation with the Depositary during a period of six (6) months; at the expiry of the six (6) months' period, any outstanding amount will be the deposited in escrow with the *Caisse de Consignation*.

Unless otherwise decided in the interest of, or in order to ensure equal treatment between Shareholders, the shareholders of the relevant Sub-Fund or Class may continue to request the redemption of their shares or the conversion of their shares, free of any redemption and conversion charges (except disinvestment costs) prior the effective date of the liquidation. Such redemption or conversion will then be executed by taking into account the liquidation costs and expenses related thereto.

### 19.3 Liquidation or reorganisation of the Master Fund

In accordance with articles 79 (4) and 79 (5) of the Investment Fund Law, the Company shall be dissolved and liquidated if the Master Fund is liquidated, divided into two or more UCITS or merger with another UCITS, unless the CSSF approves either (a) the investment of at least 85% of the assets of the Company into units of another master UCITS or (b)

the Company's conversion into a UCITS which is not a feeder UCITS within the meaning of the Investment Fund Law.

19.4 Merger of Sub-Funds or Class of shares to another Sub-Fund or Class of shares within the Company

Any Sub-Fund may, either as a merging Sub-Fund or as a receiving Sub-Fund, be subject to merge with another Sub-Fund of the Company in accordance with the definitions and conditions set out in the Investment Fund Law. The Board of Directors of the Company will be competent to decide on the effective date of such a Merger. Insofar as a Merger requires the approval of the shareholders concerned by the Merger and pursuant to the provisions of the Investment Fund Law, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting, is competent to approve the effective date of such a Merger. No quorum requirement will be applicable.

Notice of the Merger will be given in writing to registered Shareholders and/or will be published in newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine. Each shareholder of the relevant Sub-Funds or Classes shall be given the possibility, within a period of at least thirty days in advance, to request the redemption or conversion of its shares.

19.5 Merger of Sub-Funds or Class of shares to another Sub-Fund or Class of shares of another investment fund

The Company may, either as a merging UCITS or as a receiving UCITS, be subject to cross-border and domestic mergers in accordance with the definitions and conditions set out in the Investment Fund Law. The Board of Directors of the Company will be competent to decide on the effective date of such a Merger. Insofar as a Merger requires the approval of the shareholders concerned by the Merger and pursuant to the provisions of the Investment Fund Law, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting is competent to approve the effective date of such a Merger. No quorum requirement will be applicable.

Notice of the Merger will be given in writing to registered Shareholders and/or will be published in the RESA and the "d'Wort" in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine. Each shareholder of the relevant Sub-Funds or Classes shall be given the possibility, within a period of at least thirty days in advance, to request the redemption or conversion of its shares.

## 20. REGULATORY INFORMATION

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### 20.1 Conflicts of Interest

For the purpose of identifying the types of conflicts of interest that arise in the course of providing services and activities and whose existence may damage the interest of the Company, the Management Company will take into account, by way of minimum criteria, the question of whether the Management Company or a relevant person, or a person directly or indirectly linked by way of control to the Management Company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise: (a) the Management Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Company; (b) the Management Company or that person has an interest in the outcome of a service or an activity provided to the Company or another client or of a transaction carried out on behalf of the Company or another client or, which is distinct from the Company interest in that outcome; (c) the Management Company or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company; (d) the Management Company or that person carries on the same activities for the Company and for another client or clients which are not UCITS; and (e) the Management Company or that person receives or will receive from a person other than the Company an inducement in relation to collective portfolio management activities provided to the Company, in the form of monies, goods or services, other than the standard commission or fee for that service.

When identifying any potential types of conflict of interests, the Management Company will take into account (a) the interests of the Management Company, including those deriving from its belonging to a group or from the performance of services and activities, the interests of the clients and the duty of the Management Company towards the Company as well as (b) the interests of two or more managed UCITS.

The summary description of the strategies referred to in that paragraph will be made available to the Shareholders on [www.lfde.com/en/](http://www.lfde.com/en/).

### 20.2 Complaints Handling

Shareholders of each Sub-Fund of the Company may file complaints free of charge with the Distributor or the Management Company in an official language of their home country. Shareholders can access the complaints handling procedure on [www.lfde.com/en/](http://www.lfde.com/en/).

### 20.3 Exercise of Voting Rights

Unless there is a loss of investor protection, the Company will not exercise voting rights in respect of instrument held by the Company in each Sub-Fund. The decision to exercise voting rights is only to be made within the Company's general meeting.

The Company draws the Shareholders' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, if the investor is registered himself and in its own name in the Shareholders' register of the UCITS. In cases where an investor invests in the UCITS through an intermediary investing into the UCITS in his own name but on behalf of the Shareholder, it may not always be possible for the investor to exercise certain shareholder rights directly against the UCITS. Shareholders are advised to take advice on their rights.

#### 20.4 Best Execution

The Management Company will act in the best interests of the managed Company when executing decision to deal on behalf of the managed Company in the context of the management of their portfolios. For that purpose the Management Company will take all reasonable steps to obtain the best possible results for the Company, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution).

The relative importance of such factors will be determined by reference to the following criteria: (a) the objectives, investment policy and risks specific to the Company, (b) the characteristics of the order, (c) the characteristics of the financial instruments that are the subject of that order and (d) the characteristics of the execution venues to which that order can be directed.

#### 20.5 Benchmark Regulation

In compliance with the Benchmark Regulation, the Management Company has established and maintains robust written plans setting out the actions to take in the event that a benchmark materially changes or ceases to be provided. The Management Company will make available those plans, on request and free of charges at its registered office.

Until 31 December 2020, the benchmark administrator, MSCI Limited (the "Benchmark administrator"), provider of the benchmarks in use by the sub-funds, as detailed in more details under "Part B: The Sub-Funds", was a registered benchmark administrator within the meaning of Article 36 of the Benchmark Regulation.

As from 1 January 2021, due to the withdrawal of the United Kingdom from the European Union, the Benchmark administrator is no longer registered withing the meaning of Article 36 of the Benchmark Regulation.

However, during the transitional period and until 31 December 2021, as defined in Article 51(5) of the Benchmark Regulation, this change of the register will not have an effect on the ability of European supervised entities, such as the Management Company, to use the benchmarks provided by the Benchmark Administrator.



## 21. DOCUMENTS

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Upon request, the following documents may be consulted and obtained free of charge at the Company's registered office, the Management Company and the Depositary:

- a) the Company's prospectus;
- b) the Company's Key Investor Information Documents;
- c) the Company's Articles;
- d) if the Sub-Fund is a Feeder Sub-Fund, the related Master Fund's prospectus, statutes, annual and semi-annual financial reports and key investor information documents;
- e) the Collective Portfolio Management Agreement between the Company and the Management Company;
- f) the Administration Agreement between the Company, the Management Company and the Central Administration;
- g) the Depositary Agreement between the Company and the Depositary;
- h) the Company's annual and semi-annual financial report.

The Feeders and the Masters Funds are managed by the same Management Company. Shareholders may obtain information free of charge about the internal rules defined in order to ensure the exchange of information between the Feeders and the Masters Funds.

The feeder's subscriptions are free of tax consequences.

**PART B: THE SUB-FUNDS**

## ECHIQUIER AGENOR SRI MID CAP EUROPE FUND

### SUB-FUND SPECIFICS

#### 1. Investment Objective and Policy

##### 1.1. Investment objective of the Sub-Fund

**The Sub-Fund “Echiquier Agenor SRI Mid Cap Europe Fund”** is a dynamically managed Sub-Fund whose investment objective is long-term performance through exposure to European equity markets, investing in growth-style companies.

This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, integrating the consideration of Sustainability Risk and ESG criteria, as described in Part A, Section 4. This extra-financial objective/approach of the Sub-Fund is to contribute to the progress of companies on ESG issues by engaging with them in regular dialogue and by sharing with them specific areas for improvement that are monitored over time.

In addition to the ESG investment policy described, the Sub-Fund might further exclude some sectors of activity and financial instruments with ESG scoring below 5,5.

The MSCI Europe Small Cap Index is a representative indicator of the management objective of the Sub-Fund. It is not consistent with environmental and social characteristics promoted by this Sub-Fund. This index, which is used solely for information purposes, shows the development of all shares in small and mid-cap European companies. It is calculated in EUR and dividends are reinvested.

The Reference Currency of the Sub-Fund is in Euro (“**EUR**”).

##### 1.2. Investment policy of the Sub-Fund

The management of the Sub-Fund is based on a rigorous selection of securities known as stock-picking, with the stocks chosen as a result of implementing a process involving direct meetings with the companies in which the Fund invests.

The Sub-Fund systematically integrates ESG criteria into financial management. The manager endeavours to select the issuers with the best non-financial scorings in their investment universe to result in a selectivity rate (reduction of the Mid Cap European equity market investment universe) of at least 20%. These scorings are determined by the Management Company and applied to the entire portfolio.

The Sub-Fund has exposure of at least 50% to European equities and no more than 25% to non-European equities. It is exposed mostly to European small and mid-caps, i.e. stocks with a market capitalisation up to EUR 10 billion at investment.

The Sub-Fund reserves the option to invest a maximum of 25% in fixed-income products. The bonds in question are securities deemed “Investment grade”, i.e. rated at least BBB- by Standard & Poor’s or equivalent.

Forward financial instruments, traded on regulated, non-regulated or over-the-counter markets, may be used, exceptionally, for:

- Hedging the portfolio against currency risk, and also, to a lesser extent, against equity risk when the manager anticipates a sharp drop in market performance;

- Exposing the portfolio from time to time to equity risk during periods of heavy subscription. Under no circumstances whatsoever does the Sub-Fund adopt a strategy overexposing the portfolio to equity risk.

On an ancillary basis, the Sub-Fund may invest in units/shares of UCITS and/or other UCIs up to 10% of its net assets.

The Sub-Fund may invest in securities with embedded derivatives (warrants, subscription certificates, etc.) traded on eurozone and/or international regulated markets or over the counter. The use of embedded derivatives, as opposed to the other derivative instruments listed above, will mainly be as a result of the Sub-Fund seeking to optimise the hedging strategy, or, if appropriate, to improve the performance of the portfolio by reducing the costs related to the use of these financial instruments in order to achieve the investment objective. In any event, the amounts invested in securities with embedded derivatives cannot exceed 10% of the net assets. The risk associated with this type of investment will be limited to the amount invested in the purchase.

The Sub-Fund will not enter into repurchase/reverse repurchase transaction, securities lending, margin lending transaction and buy-sell back or sell-buy back transaction, and will not invest in TRS or Contracts for Difference (CFD). As a result, the Sub-Fund is not subject to the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

The Sub-Fund capitalises accrued income.

## **2. Risk Profile**

The risk profile of the Sub-Fund is, as follows:

➤ **Capital risk: Yes**

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are informed that the capital initially invested may not be returned. The Sub-Fund has no capital guarantee or protection.

➤ **Equity risk: Yes**

The Sub-Fund has exposure of at least 60% to equities. If the equities or indices to which the portfolio is exposed decline, the net asset value of the Sub-Fund could fall. On small- and medium-cap markets, the volume of securities listed on the stock exchange is relatively less, and therefore market downturns are more significant and rapid than on large-cap markets. The net asset value of the Sub-Fund can therefore fall more rapidly and more sharply.

➤ **Risk arising from discretionary management: Yes**

The discretionary management style applied to the Sub-Fund relies on stock selection. There is a risk that at any given point in time the Sub-Fund will not be invested in the best-performing stocks. The Sub-Fund's performance can therefore fall below the investment objective. The net asset value of the Sub-Fund can also show negative performance.

➤ **Interest rate risk: Yes**

The Sub-Fund has exposure of no more than 25% to fixed-income products. The net asset value of the Sub-Fund can fall if interest rates rise.

➤ **Credit risk: Yes**

Up to 25% of the Sub-Fund is exposed to money market instruments or bonds. The credit risk corresponds to the risk of a private issuer's credit quality falling or the issuer defaulting.

The value of the debt securities or bonds in which the Sub-Fund is invested can fall, causing a drop in the Sub-Fund's net asset value.

➤ Currency risk: Yes

This concerns the risk of a decline in investment currencies relative to the portfolio's benchmark currency, the euro. If a currency falls relative to the euro, the Sub-Fund's net asset value could fall.

➤ Derivative risk: Yes.

This concerns the risk of non-achievement of the derivatives' intended objectives and involves additional risks inherent to these instruments as more described in section "Risk factors" of Part A of this Prospectus.

The Sub-Fund's global exposure is calculated through the commitment approach.

The Management Company's risk management process as applicable to the Sub-Fund reflects the investment objectives and policy of the Sub-Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Sub-Fund's risk management. These risks are further described in section "Risk factors" of Part A of this Prospectus.

### **3. Profile of the Typical Investor**

Generally, the profile of the typical investor for whom the Sub-Fund has been designed is an investor wishing to invest in the equity markets and who is prepared to accept fluctuations in the value of its investment and the risks associated with investing in the Sub-Fund, as described in the section on "Risk Factors" of this Prospectus.

### **4. Valuation Date**

The Valuation Date of this Sub-Fund will be each full Bank Business Day as defined in section "Net Asset Value" in Luxembourg.

### **5. Subscription**

#### **5.1. Subsequent subscription / cut-off time**

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for shares must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in amounts or in a number of Shares.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

#### **5.2. Redemption / cut-off time**

Shareholders are entitled to redeem their Shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt

with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

## 6. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer on the Valuation Date until 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

## 7. Share Classes available

The Classes available in this Sub-Fund are listed in the table below. The Classes are either accumulating or distributing classes according to information in section "Income Policy" in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged against currency exposure	Investors	Initial minimum subscription and holding amount	Initial Share Amount
<b>K (EUR)</b>	Accumulation	EUR	NO	Institutional investors and financial intermediaries	EUR 100,000.-	EUR 1,000.-
<b>K (USD)</b>	Accumulation	USD	NO	Institutional investors and financial intermediaries	USD 100,000.-	USD 1,000.-
<b>K (CHF)</b>	Accumulation	CHF	NO	Institutional investors and financial intermediaries	CHF 100,000.-	CHF 1,000.-
<b>K (GBP)</b>	Accumulation	GBP	NO	Institutional investors and financial intermediaries	GBP 100,000.-	GBP 1,000.-
<b>B (EUR)</b>	Accumulation	EUR	NO	All investors	None	EUR 100.-
<b>B (USD)</b>	Accumulation	USD	NO	All investors	None	USD 100.-
<b>B (CHF)</b>	Accumulation	CHF	NO	All investors	None	CHF 100.-
<b>B (GBP)</b>	Accumulation	GBP	NO	All investors	None	GBP 100.-

The initial minimum subscription and holding amount for classes K are valid for investors whose first subscription takes place from September 16, 2019. For investors present in the Sub-Fund before this date, there is no minimum.

Subscription in the Class(es) K is limited to INSTITUTIONAL INVESTORS and investors subscribing through intermediaries providing an independent advisory service or discretionary investment management (including the management company within the limits of the offer Echiquier Club Sélection), management companies which are managing funds of funds or distributors who:

- are subject to national law forbidding any inducements to distributors (i.e the United Kingdom and the Netherlands);
- or
- provide investment services and activities as defined by the MiFID II directive,
- and for which they are exclusively remunerated by their clients.

The Company may in its discretion waive minimum subscription and/or holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.

## 8. Expenses

Classes	Subscription Fee	Conversion Fee	Max Management Fee	Performance Fee	Central Administration Fee*	Depositary Fee*	Annual Tax*
<b>K (EUR)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (USD)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (CHF)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (GBP)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (EUR)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (USD)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (CHF)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (GBP)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%

\*Will be at the charge of the Management Company until the Board of Directors of the Company decides otherwise.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of shares also contain additional information on ongoing charges incurred by the Sub-Fund.

## ECHIQUIER ARTY SRI FUND

### SUB-FUND SPECIFICS

#### 1. Investment Objective and Policy

##### 1.1. Investment objective of the Sub-Fund

**The Sub-Fund "Echiquier Arty SRI Fund" is a Feeder Fund of the Master Fund "Echiquier Arty SRI", a sub-fund of a SICAV** constituted under French laws and qualifying as a master UCITS under Directive 2009/65/EC, **meaning that** it invests in practice substantially all of its assets into the Master Fund and will therefore hold virtually no or very low percentage of its assets in ancillary liquid assets. The Sub-Fund invests in the share classes "Echiquier Arty SRI" of the Master Fund. Therefore this addendum shall be read in conjunction with the prospectus of the Master Fund "Echiquier Arty SRI".

The Master Fund, established on 30 May 2008, appointed La Financière de l'Echiquier S.A. as its management company, being also the Management Company of the Sub-Fund. It must, at all times, (i) have at least one feeder UCITS among its shareholders, (ii) not itself become a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS.

The Reference Currency of the Sub-Fund is in Euro ("**EUR**").

##### 1.2. Investment policy of the Sub-Fund

**The Sub-Fund** invests at least 85% of its assets in "**Echiquier Arty SRI**" units of the **Master Fund** "Echiquier Arty SRI" as these terms are defined in the prospectus of the Master Fund, i.e. capitalization or income units dedicated to all investors or institutional investors. This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, integrating the consideration of Sustainability Risk and ESG criteria as described in Part A, Section 4. This extra-financial objective/approach of the Sub-Fund is to contribute to the progress of companies on ESG issues by engaging with them in regular dialogue and by sharing with them specific areas for improvement that are monitored over time.

The up to 15% residual assets of the Sub-Fund are invested in ancillary liquid assets only as may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Sub-Fund. The Sub-Fund intends to minimize the level of ancillary liquid assets held for these purposes.

The Sub-Fund will not enter into financial derivative instruments apart from hedging the currency exposure of Classes of share not denominated in EUR.

The Sub-Fund will not enter into repurchase/reverse repurchase transaction, securities lending, margin lending transaction and buy-sell back or sell-buy back transaction, and will not invest in TRS or Contracts for Difference (CFD). As a result, the Sub-Fund is not subject to the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

The Sub-Fund will not be invested in ABS/MBS.

##### 1.3. Investment objective and policy of the Master Fund



The Master Fund targets short and medium-term performance through discretionary and opportunity management on fixed-income and equity markets.

The composite index 25% EONIA capitalised + 25% MSCI EUROPE Net Return + 50% IBOXX EURO CORPORATE 3-5 may be a representative indicator for the management objective of the Master Fund. The composite index is not consistent with environmental and social characteristics promoted by the Master Fund. It is used solely for information purposes and is calculated in Euros, with dividends reinvested. The investment universe is thus made up of the three market indices comprising the Master Fund's benchmark index.

This objective is combined with a non-financial approach incorporating ESG criteria. The non-financial objective is to help companies move forward on ESG issues by engaging in dialogue with them on a regular basis and by sharing with them specific areas of improvement monitored over time.

The management of the Master Fund is based on 'bond picking' for fixed-income markets and on 'stock picking' for equity markets, and relies on discretionary management:

- For equities, the "stock picking" selection is obtained through the implementation of a process that involves direct contact with the companies in which the Sub-Fund invests. This management is based on a fundamental analysis of each file, supported by an internally developed rating based on several criteria, including:

- the quality of the company's management;
- the quality of its financial structure;
- visibility on the company's future results;
- the growth prospects of its business;
- environmental and social aspects;
- the speculative aspect of value.

The Master Fund invests between 0% and up to 50% of its assets in equities. The Master Fund invests mainly in medium and large capitalisations. However, the Master Fund may invest in small capitalisations (i.e. under 1 billion euros) up to 10% of its assets. Investment in equities will be made in actions of European Union, EFTA countries and the United Kingdom (the "Europe Zone"). The Master Fund reserves the right to invest a maximum of 15% of its assets in listed equities in a country outside the Europe Zone, including emerging markets.

- For interest rate products, the Master Fund has a minimum exposure of 40% to bonds or negotiable debt securities. The percentage of negotiable debt securities and bonds not deemed 'Investment grade' (at least Standard & Poor's BBB- rating or equivalent) must not exceed respectively 35% (for bonds) and 15% (for negotiable debt securities) of the net assets. The Master Fund invests in negotiable debt securities and bonds in countries from the Europe Zone. However, the Master Fund may invest up to 10% in bonds outside the Europe Zone, including emerging markets. The Master Fund can also invest up to a maximum of 40% of its net assets in subordinated bonds issued by the banking, insurance and corporate sectors, including a maximum of 10% in contingency convertible bonds (known as "coco" bonds). This investment portfolio will be managed within a sensitivity range between 0 and 8.

The Master Fund may also invest in securities with embedded derivatives:

- Bonds with early redemption options: the manager may use these bonds ("callable" or "puttable") throughout the bond portfolio;
- Contingent convertible bonds in the financial sector: the manager may trade in these securities up to a limit of 10% of the net assets;

- Other securities with embedded derivatives: the manager may invest up to 10% of the net assets in securities with embedded derivatives (warrants, convertible bonds, etc.) traded on regulated or over-the-counter markets. No rating constraints apply to convertible bonds.

The Master Fund may operate in the market for forward financial instruments in order to:

- Reduce the portfolio's exposure to equity markets, and to currency and interest rate risks;
- Exceptionally expose the portfolio to currency, fixed-income and equity risks. Under no circumstances whatsoever does the fund intend to adopt a strategy overexposing the portfolio to these different risks.

The Master Fund is not permitted to invest in securitisation products (ABS, CDO, etc.) or credit derivatives (e.g. CDS) traded over the counter.

In addition, the Master Fund systematically incorporates environmental, social, and governance criteria into financial management. This has an impact on the selection of portfolio securities.

The examples of indicators used for each of the E, S, and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans put in place by the company, exposure of suppliers to environmental risks, positive or negative impact of products on the environment;
- Social indicators: attractiveness of the employer brand, employee retention, anti-discrimination, employee protection, exposure of suppliers to social risks, relations with civil society;
- Governance indicators: competence of the management team, checks and balances, respect for minority shareholders, business ethics.

The Master Fund focuses on selecting the top-rated issuers from a non-financial perspective within their investment universe ("best in universe" approach). This Master Fund also invests in companies that have adopted a CSR approach and have an improving momentum in their ESG practices ("best efforts" approach). The Master Fund applies two non-financial filters in its stock-picking: after controversial sectors and practices are excluded, stocks must meet a minimum ESG rating requirement.

The ESG rating is out of 10 and is awarded to each issuer. This score is determined as follows:

- Governance: The Governance rating represents approximately 60% of the overall ESG score. This is a long-standing bias for La Financière de l'Echiquier, which has attached particular importance to this subject since the company's creation;
- Environmental and Social: Social and environmental criteria are combined to determine a "Responsibility" score. Its calculation takes into account the type of company:
  - for industrial stocks: the social and environmental criteria are equally weighted in the "Responsibility" score.
  - for service stocks: the "Social" score accounts for 2/3 of the "Responsibility" score, while the "Environmental" score represents 1/3 of the "Responsibility" score.

The ESG rating of issuers in the portfolio must always be equal to 95%. This rating may be lowered if significant controversy arises.

If a company's rating falls below the minimum required by the management company for the Master Fund, the position in the issuer would be sold in the best interests of the unitholders/ shareholders.

This ESG approach results in a selectivity rate (reduction of the investment universe) of at least 20%.

The SRI analysis approach for companies put in place by La Financière de l'Echiquier is based on a qualitative analysis of these players' environmental, social and governance practices. A number of limitations may be identified, in connection with the management company's methodology but also more broadly with the quality of the information available on these issues.

For more detailed information on the rating methodology used for the Master Fund and its limits, investors should refer to the Transparency Code of La Financière de l'Echiquier available on [www.lfde.com](http://www.lfde.com).

The Master Fund capitalises accrued income.

## **2. Risk Profile**

It is intended that the performance of the various Classes of shares offered by the Sub-Fund will be similar to that of the "Echiquier Arty SRI" units of the Master Fund. However, the performance of both funds will not be equal due, in particular, to costs and expenses incurred by the Sub-Fund and the reference currency of the Classes of shares that may differ from that of the Master Fund.

The risk profile of the Sub-Fund is similar to the risk profile of the Master Fund as follows:

➤ Risk arising from discretionary management: Yes

The discretionary management style is based on anticipating trends on the different markets (equities, bonds, derivatives) and on the selection of securities. There is a risk that at any given point in time the Master Fund will not be invested on the best-performing markets or stocks.

➤ Arbitrage risk: Yes

The management of the Master Fund may be based on arbitrage between different asset classes. Arbitrage is a technique used to take advantage of the differences in price recorded or anticipated between markets and/or securities and/or instruments. If an arbitrage trade is unsuccessful (i.e. a short position rises or a long position falls), the net asset value could fall.

➤ Capital risk: Yes

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are informed that the capital initially invested may not be returned. The Master Fund has no capital guarantee or protection.

➤ Interest rate risk: Yes

The Master Fund invests a minimum of 40% of its assets in fixed-income products. The net asset value of the Master Fund can fall if interest rates rise.

➤ Credit risk: Yes

The Master Fund has exposure of at least 40 % to money market instruments and bonds. Credit risk, due, in particular, to investment in "speculative securities", corresponds to the risk of a private issuer's credit quality falling or the issuer defaulting. The value of the debt securities or bonds in which the Master Fund is invested can fall, causing a drop in the Master Fund's net asset value. This risk is greater as the Master Fund may invest in non-investment grade securities, which may be speculative in nature, and, on an ancillary basis, in unrated securities.

➤ Equity risk: Yes

The Master Fund invests a maximum of 50% of its assets in equities. If the equities or indices to which the portfolio is exposed decline, the net asset value of the Master Fund could fall. On small- and medium-cap markets, the volume of securities listed on the stock exchange is relatively less, and therefore market downturns are more significant and rapid than on large-cap markets. The net asset value of the Master Fund can therefore fall more rapidly and more sharply.

➤ Currency risk: Yes

This concerns the risk of a decline in investment currencies relative to the portfolio's benchmark currency, the euro. If a currency falls relative to the euro, the Master Fund's net asset value could fall.

➤ Risk associated with the low liquidity of some securities: Yes

The Master Fund specifically invests in "high yield speculative securities". Since the volume of trades negotiated on these types of instruments can be reduced, consequently market movements may be more pronounced, both upward and downward.

➤ Derivative risk: Yes.

This concerns the risk of non-achievement of the derivatives' intended objectives and involves additional risks inherent to these instruments as more described in section "Risk factors" of Part A of this Prospectus.

The Sub-Fund's global exposure is calculated through the commitment approach.

The Management Company's risk management process as applicable to the Master Fund reflects the investment objectives and policy of the Master Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Master Fund's risk management. These risks are further described in section "Risk factors" of Part A of this Prospectus.

### **3. Profile of the Typical Investor**

Generally, the profile of the typical investor for whom the Feeder Sub-Fund has been designed is an investor wishing to invest in the Master Fund and who is prepared to accept fluctuations in the value of its investment and the risks associated with investing in the Master Fund through the Feeder Sub-Fund, as described in the section on "Risk Factors" of this Prospectus and in the prospectus of the Master Fund.

Investors should note that investment of the Sub-Fund is not suitable for UCITS since the Sub-Fund invests at least 85% of its assets in the Master Fund.

### **4. Valuation Date**

The Valuation Date of this Sub-Fund will be each full Bank Business Day as defined in section "Net Asset Value" that corresponds to valuation dates of the Master Fund. As a result, the Valuation Date of the Sub-Fund will be each full bank business day in Luxembourg and in France.

### **5. Subscription**

#### **5.1. Subsequent subscription / cut-off time**

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for shares must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in amounts or in a number of Shares.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

#### 5.2. Redemption / cut-off time

Shareholders are entitled to redeem their Shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

### **6. Conversion / cut-off time**

Applications for conversion must be received by the Registrar and Transfer Agent on the Valuation Date until 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

### **7. Share Classes available**

The Classes available in this Sub-Fund are listed in the table below. The Classes are either accumulating or distributing classes according to information in section "Income Policy" in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged against currency exposure	Investors	Initial minimum subscription and holding amount	Initial Share Amount
<b>A (EUR)</b>	Accumulation	EUR	NO	All investors	None	EUR 100.-
<b>A (USD)</b>	Accumulation	USD	NO	All investors	None	USD 100.-
<b>A (CHF)</b>	Accumulation	CHF	NO	All investors	None	CHF 100.-
<b>A (GBP)</b>	Accumulation	GBP	NO	All investors	None	GBP 100.-
<b>R (EUR)</b>	Accumulation	EUR	NO	All investors	None	EUR 100.-
<b>R (USD)</b>	Accumulation	USD	NO	All investors	None	USD 100.-
<b>R (CHF)</b>	Accumulation	CHF	NO	All investors	None	CHF 100.-
<b>R (GBP)</b>	Accumulation	GBP	NO	All investors	None	GBP 100.-
<b>I (EUR)</b>	Accumulation	EUR	NO	Institutional investors	EUR 1,000,000.-	EUR 1,000.-
<b>I (USD)</b>	Accumulation	USD	NO	Institutional investors	USD 1,000,000.-	USD 1,000.-
<b>I (CHF)</b>	Accumulation	CHF	NO	Institutional investors	CHF 1,000,000.-	CHF 1,000.-
<b>I (GBP)</b>	Accumulation	GBP	NO	Institutional investors	GBP 1,000,000.-	GBP 1,000.-
<b>D (EUR)</b>	Income	EUR	NO	All investors	None	EUR 100.-
<b>D (USD)</b>	Income	USD	NO	All investors	None	USD 100.-
<b>D (CHF)</b>	Income	CHF	NO	All investors	None	CHF 100.-
<b>D (GBP)</b>	Income	GBP	NO	All investors	None	GBP 100.-
<b>G (EUR)</b>	Accumulation	EUR	NO	Dedicated to marketing by financial intermediaries	None	EUR 1,000.-

<b>G (USD)</b>	Accumulation	USD	NO	Dedicated to marketing by financial intermediaries	None	USD 1,000.-
<b>G (CHF)</b>	Accumulation	CHF	NO	Dedicated to marketing by financial intermediaries	None	CHF 1,000.-
<b>G (GBP)</b>	Accumulation	GBP	NO	Dedicated to marketing by financial intermediaries	None	GBP 1,000.-
<b>G (EUR) - Inc</b>	Income	EUR	NO	Dedicated to marketing by financial intermediaries	None	EUR 1,000.-

Subscription in the Class(es) G is limited to investors subscribing through intermediaries providing an independent advisory service or discretionary investment management (including the management company), management companies which are managing funds of funds within the limits of the offer Echiquier Club Sélection) or distributors who:

- are subject to national law forbidding any inducements to distributors (i.e the United Kingdom and the Netherlands);
- or
- provide investment services and activities as defined by the MiFID II directive,
  - and for which they are exclusively remunerated by their clients.

The Company may in its discretion waive minimum subscription and/or holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.

## **8. Expenses**

The Sub-Fund is investing in the Master Fund. At the level of the Master Fund, the fees, charges and expenses associated with such investment are (i) an annual management fee and (ii) other expenses of the Master Fund, as described in its prospectus. Details on the actual charges and expenses incurred at the level of the Master Fund are available on the website of the Management Company at [www.lfde.com/en/](http://www.lfde.com/en/). The KIID(s) issued for each Share Class also contain additional information on ongoing charges incurred by the Company (aggregated with the charges incurred at the level of the Master Fund).

In compliance with the provisions of point IX C) of section 4.2 under Chapter 4 "Investment Objectives and Policies" above, no subscription or redemption fees will be charged to the Sub-Fund when investing in the Master Fund.

Classes	Subscription Fee	Conversion Fee	Management Fee feeder	Management Fee Master Fund	Rebate granted by the Management Company to the feeder*	Max Management Fee, including the fees at the Master Fund's level and the rebate granted by the Management Company*	Performance Fee	Central Administration Fee**	Depository Fee**	Annual Tax**
<b>A (EUR)</b>	Max 3%	None	Max 1.50%	Max 1.50%	Min 95%	Max 1.50%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>A (USD)</b>	Max 3%	None	Max 1.50%	Max 1.50%	Min 95%	Max 1.50%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>A (CHF)</b>	Max 3%	None	Max 1.50%	Max 1.50%	Min 95%	Max 1.50%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>A (GBP)</b>	Max 3%	None	Max 1.50%	Max 1.50%	Min 95%	Max 1.50%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>R (EUR)</b>	Max 3%	None	Max 2%	Max 1.50%	Min 95%	Max 2%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>R (USD)</b>	Max 3%	None	Max 2%	Max 1.50%	Min 95%	Max 2%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>R (CHF)</b>	Max 3%	None	Max 2%	Max 1.50%	Min 95%	Max 2%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>R (GBP)</b>	Max 3%	None	Max 2%	Max 1.50%	Min 95%	Max 2%	None	Max EUR 20,000	Max 0.01%	0.05%
<b>I (EUR)</b>	Max 3%	None	Max 0,90%	Max 1.50%	Min 95%	Max 0,90%	None	Max EUR 20,000	Max 0.01%	0.01%



<b>I (USD)</b>	Max 3%	None	Max 0,90 %	Max 1.50 %	Min 95%	Max 0,90%	None	Max USD 20,00 0	Max 0.01%	0.01 %
<b>I (CHF)</b>	Max 3%	None	Max 0,90 %	Max 1.50 %	Min 95%	Max 0,90%	None	Max CHF 20,00 0	Max 0.01%	0.01 %
<b>I (GBP)</b>	Max 3%	None	Max 0,90 %	Max 1.50 %	Min 95%	Max 0,90%	None	Max GBP 20,00 0	Max 0.01%	0.01 %
<b>D (EUR)</b>	Max 3%	None	Max 1.50 %	Max 1.50 %	Min 95%	Max 1.50%	None	Max EUR 20,00 0	Max 0.01%	0.05 %
<b>D (USD)</b>	Max 3%	None	Max 1.50 %	Max 1.50 %	Min 95%	Max 1.50%	None	Max USD 20,00 0	Max 0.01%	0.05 %
<b>D (CHF)</b>	Max 3%	None	Max 1.50 %	Max 1.50 %	Min 95%	Max 1.50%	None	Max CHF 20,00 0	Max 0.01%	0.05 %
<b>D (GBP)</b>	Max 3%	None	Max 1.50 %	Max 1.50 %	Min 95%	Max 1.50%	None	Max GBP 20,00 0	Max 0.01%	0.05 %
<b>G (EUR)</b>	Max 3%	None	Max 1.10 %	Max 1.10 %	Min 95%	Max 1.10%	None	Max EUR 40,00 0	Max 0.01%	0.05 %
<b>G (USD)</b>	Max 3%	None	Max 1.10 %	Max 1.10 %	Min 95%	Max 1.10%	None	Max EUR 40,00 0	Max 0.01%	0.05 %
<b>G (CHF)</b>	Max 3%	None	Max 1.10 %	Max 1.10 %	Min 95%	Max 1.10%	None	Max EUR 40,00 0	Max 0.01%	0.05 %
<b>G (GBP)</b>	Max 3%	None	Max 1.10 %	Max 1.10 %	Min 95%	Max 1.10%	None	Max EUR 40,00 0	Max 0.01%	0.05 %
<b>G (EUR) - Inc</b>	Max 3%	None	Max 1.10 %	Max 1.10 %	Min 95%	Max 1.10%	None	Max EUR 40,00 0	Max 0.01%	0.05 %

\*All or a portion of management fees charged at the level of the Master Fund are rebated to the Feeder Sub-Fund by the Management Company and the management fee payable by the Sub-Fund for each Class offered is set at such rates so as to ensure that, for any given Class, the aggregate amount of the management fee for that Class and the management fee payable at the level of the Master Fund for the "Arty" Class (in which the Sub-Fund invests) corresponds to the management fee that would have been paid by an investor investing directly in "Arty" Class of the Master Fund.

\*\*Will be at the charge of the Management Company until the Board of Directors of the Company decides otherwise.

Moreover, there is no performance fee charged on any share class of the Master Fund.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of shares also contain additional information on ongoing charges incurred by the Sub-Fund (aggregated with the charges incurred at the level of the Master Fund).

# ECHIQUIER WORLD EQUITY GROWTH FUND

## SUB-FUND SPECIFICS

### 1. Investment Objective and Policy

#### 1.1. Investment objective of the Sub-Fund

The Sub-Fund “**Echiquier World Equity Growth Fund**” is long-term performance through exposure on growth securities in international markets, investing in international leaders.

The MSCI All Country World Index could be used as an a posteriori performance comparison. This index, which is used solely for information purposes, is calculated in euros and dividends reinvested by MSCI. This index covers 50 countries from all geographic areas (developed countries and emerging countries). It is not consistent with environmental and social characteristics promoted by this Sub-Fund. The Reference Currency of the Sub-Fund is in Euro (“**EUR**”).

#### 1.2. Investment policy of the Sub-Fund

The management of the Sub-Fund is based on a stock picking. The investment strategy is aimed at selecting securities offering the best current or potential growth, which are leaders on markets of a significant size over all geographic areas.

This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, integrating the consideration of Sustainability Risk and ESG criteria as described in Part A, Section 4.

The Sub-Fund has exposure of at least 60% to eurozone equities and/or global and emerging-market equities. The Sub-Fund assets consist primarily of large-caps. However, the Sub-Fund reserves the right to invest up to 10% of its net assets in small-caps and mid-caps.

The Sub-Fund reserves the option to invest a maximum of 40% in fixed-income products. The bonds in question are securities deemed ‘Investment grade’, i.e. rated at least BBB- by Standard & Poor’s or equivalent.

Forward financial instruments, traded on regulated, non-regulated or over-the-counter markets, may be used, exceptionally, for:

- Hedging the portfolio against currency risk, and also, to a lesser extent, against equity risk when the manager anticipates a sharp drop in market performance;
- Exposing the portfolio from time to time to equity risk during periods of heavy subscription. Under no circumstances whatsoever does the fund intend to adopt a strategy overexposing the portfolio to equity risk.

On an ancillary basis, the Sub-Fund may invest in units/shares of UCITS and/or other UCIs up to 10% of its net assets.

The Sub-Fund may invest in securities with embedded derivatives (warrants, subscription certificates, etc.) traded on eurozone and/or international regulated markets or over the counter. The use of embedded derivatives, as opposed to the other derivative instruments listed above, will mainly be as a result of the Sub-Fund seeking to optimise the hedging strategy, or, if appropriate, to improve the performance of the portfolio by reducing the costs related to the use of these financial instruments in order to achieve the investment

objective. In any event, the amounts invested in securities with embedded derivatives cannot exceed 10% of the net assets. The risk associated with this type of investment will be limited to the amount invested in the purchase.

The Sub-Fund will not enter into repurchase/reverse repurchase transaction, securities lending, margin lending transaction and buy-sell back or sell-buy back transaction, and will not invest in TRS or Contracts for Difference (CFD). As a result, the Sub-Fund is not subject to the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

In addition, the Sub-Fund systematically incorporates environmental, social, and governance criteria.

The examples of indicators used for each of the E, S, and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans put in place by the company, exposure of suppliers to environmental risks, positive or negative impact of products on the environment;
- Social indicators: attractiveness of the employer brand, employee loyalty, fight against discrimination, employee protection, exposure of suppliers to social risks, relations with civil society;
- Governance indicators: competence of the management team, counter-power, respect for minority shareholders, business ethics.

The extra financial objectives consist in the management of the fund to:

- Conducting an ESG analysis of issuers (minimum 90%)

The ESG rating is out of 10 and is awarded to each issuer. This rating is determined by an internal methodology of the management company and is composed as follows:

- Governance: The Governance rating represents approximately 60% of the overall ESG score. This is a historical bias of La Financiere de l'Echiquier, which has attached particular importance to this subject since its creation.;
- Environmental and Social: Social and environmental criteria are combined to determine a "Responsibility" score. Its calculation takes into account the type of company concerned:
  - for industrial stocks: the social and environmental criteria are equally weighted in the "Responsibility" score.
  - for service stocks: the "Social" score accounts for 2/3 of the "Responsibility" score, while the "Environmental" score represents 1/3 of the "Responsibility" score.

- To have an ESG performance superior to the one of its investment universe.
- Conducting an exclusionary approach based on sectoral and normative exclusions.
- Implement a filter based on ESG convictions (existence of a minimum rating).

The methodological limitations of the ESG approach mainly concern the reliability of extra-financial data published by issuers and the subjective nature of the rating implemented within the Management Company.

The Sub-Fund capitalises accrued income.

## 2. Risk Profile

The risk profile of the Sub-Fund is, as follows:

The list of risks below is not exhaustive: investors should analyse the risks inherent in each investment and draw their own conclusions. The main risks to which investors are exposed are as follows:

➤ Capital risk: Yes

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are informed that the capital initially invested may not be returned. The Sub-Fund has no capital guarantee or protection.

➤ Equity risk: Yes

The Sub-Fund has exposure of at least 60% to equities. If the equities or indices to which the portfolio is exposed decline, the net asset value of the Sub-Fund could fall. There is a risk associated with investing in the emerging countries, due essentially to the operating and supervision conditions on these markets, which may differ from the standards prevailing on the major international markets, and to political and regulatory factors.

➤ Currency risk: Yes

This concerns the risk of a decline in investment currencies relative to the portfolio's benchmark currency, the euro. If a currency falls relative to the euro, the Sub-Fund's net asset value could fall.

➤ Risk arising from discretionary management: Yes

The discretionary management style applied to the fund relies on stock selection. There is a risk that at any given point in time the Sub-Fund will not be invested in the best-performing stocks. The Sub-Fund's performance can therefore fall below the investment objective. The net asset value of the Sub-Fund can also show negative performance.

➤ Interest rate risk: Yes

The Sub-Fund has exposure of no more than 40% to fixed-income products. The net asset value of the Sub-Fund can fall if interest rates rise.

➤ Credit risk: Yes

Up to 40 % of the Sub-Fund is exposed to money market instruments or bonds. The credit risk corresponds to the risk of a private issuer's credit quality falling or the issuer defaulting. The value of the debt securities or bonds in which the Sub-Fund is invested can fall, causing a drop in the Sub-Fund's net asset value.

➤ Derivative risk: Yes.

This concerns the risk of non-achievement of the derivatives' intended objectives and involves additional risks inherent to these instruments as more described in section "Risk factors" of Part A of this Prospectus.

The Sub-Fund's global exposure is calculated through the commitment approach.

The Management Company's risk management process as applicable to the Sub-Fund reflects the investment objectives and policy of the Sub-Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Sub-Fund's risk management. These risks are further described in section "Risk factors" of Part A of this Prospectus.

### **3. Profile of the Typical Investor**

Generally, the profile of the typical investor for whom the Sub-Fund has been designed is an investor wishing to invest in the equity markets and who is prepared to accept fluctuations in the value of its investment and the risks associated with investing in the Sub-Fund, as described in the section on "Risk Factors" of this Prospectus.

### **4. Valuation Date**

The Valuation Date of this Sub-Fund will be each full Bank Business Day as defined in section "Net Asset Value" in Luxembourg.

### **5. Subscription**

#### **5.1. Subsequent subscription / cut-off time**

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for shares must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in amounts or in a number of Shares.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

#### **5.2. Redemption / cut-off time**

Shareholders are entitled to redeem their Shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent on the Valuation date until the cut-off time fixed at 10:00 a.m. Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

### **6. Conversion /cut-off time**

Applications for conversion must be received by the Registrar and Transfer Agent on the Valuation Date until 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

## 7. Share Classes available

The Classes available in this Sub-Fund are listed in the table below. The Classes are either accumulating or distributing classes according to information in section "Income Policy" in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged against currency exposure	Investors	Initial minimum subscription and holding amount	Initial Share Amount
<b>K (EUR)</b>	Accumulation	EUR	NO	Institutional investors and financial intermediaries	EUR 100.000.-	EUR 1,000.-
<b>K (USD)</b>	Accumulation	USD	NO	Institutional investors and financial intermediaries	USD 100.000.-	USD 1,000.-
<b>K (CHF)</b>	Accumulation	CHF	NO	Institutional investors and financial intermediaries	CHF 100.000.-	CHF 1,000.-
<b>K (GBP)</b>	Accumulation	GBP	NO	Institutional investors and financial intermediaries	GBP 100.000.-	GBP 1,000.-
<b>B (EUR)</b>	Accumulation	EUR	NO	All investors	None	EUR 100.-
<b>B (USD)</b>	Accumulation	USD	NO	All investors	None	USD 100.-
<b>B (CHF)</b>	Accumulation	CHF	NO	All investors	None	CHF 100.-
<b>B (GBP)</b>	Accumulation	GBP	NO	All investors	None	GBP 100.-
<b>IXL (EUR)</b>	Accumulation	EUR	NO	Institutional investors	EUR 30,000,000.-	EUR 1,000.-

The initial minimum subscription and holding amount for classes K are valid for investors whose first subscription takes place from September 16, 2019. For investors present in the Sub-Fund before this date, there is no minimum.

Subscription in the Class(es) K is limited to INSTITUTIONAL INVESTORS and investors subscribing through intermediaries providing an independent advisory service or discretionary investment management (including the management company within the limits of the offer Echiquier Club Sélection), management companies which are managing funds of funds or distributors who:

- are subject to national law forbidding any inducements to distributors (i.e the United Kingdom and the Netherlands);

or

- provide investment services and activities as defined by the MiFID II directive,
- and for which they are exclusively remunerated by their clients.

The Company may in its discretion waive minimum subscription and/or holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.



## 8. Expenses

Classes	Subscription Fee	Conversion Fee	Max Management Fee	Performance Fee	Central Administration Fee*	Depositary Fee*	Annual Tax*
<b>K (EUR)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (USD)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (CHF)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (GBP)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (EUR)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (USD)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (CHF)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>B (GBP)</b>	Max 3%	None	Max 1.75%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>IXL (EUR)</b>	Max 3%	None	Max 0.70%	None	Max EUR 40,000	Max 0.01%	0.01%

\*Will be at the charge of the Management Company until the Board of Directors of the Company decides otherwise.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of shares also contain additional information on ongoing charges incurred by the Sub-Fund.

## ECHIQUIER MAJOR SRI GROWTH EUROPE FUND

### SUB-FUND SPECIFICS

#### 1. Investment Objective and Policy

##### 1.1. Investment objective

**The Sub-Fund “Echiquier Major SRI Growth Europe Fund”** is long-term performance through exposure to European equity markets, investing in leaders with strong growth perspectives.

This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, integrating the consideration of Sustainability Risk and ESG criteria as described in Part A, Section 4. This extra-financial objective/approach of the Sub-Fund is to contribute to the progress of companies on ESG issues by engaging with them in regular dialogue and by sharing with them specific areas for improvement that are monitored over time.

In addition to the ESG investment policy described, the Sub-Fund might further exclude some sectors of activity and financial instruments with ESG scoring below 6.

The MSCI Europe Index is a benchmark for the management objective of the Sub-Fund. This index, which is used for information purposes, represents the share markets of Europe’s most developed countries. It is not consistent with environmental and social characteristics promoted by this Sub-Fund. It is calculated in EUR, and dividends are reinvested.

The Reference Currency of the Sub-Fund is in Euro (“**EUR**”).

##### 1.2. Investment policy of the Sub-Fund

The management of the Sub-Fund is based on a rigorous selection of securities known as stock-picking, with the stocks chosen on the basis of an in-depth analysis of the companies in the portfolio.

The Sub-Fund systematically integrates ESG criteria into financial management to result in a selectivity rate (reduction of the European equity market investment universe) of at least 20%. The manager endeavours to select the issuers with the best non-financial scorings in their investment universe. These scorings are determined by the Management Company and applied to the entire portfolio.

The Sub-Fund has a minimum exposure of 60% to European equities and a maximum of 25% to non-European equities. At least 60% of the Sub-Fund assets are invested in major European equities. Up to 40% of its assets can be exposed to small-cap and mid-cap equities

The Sub-Fund reserves the option to invest a maximum of 25% in fixed-income products. The bonds in question are securities deemed ‘Investment grade’, i.e. rated at least BBB- by Standard & Poor’s or equivalent.

Forward financial instruments, traded on regulated, non-regulated or over-the-counter markets, may be used, exceptionally, for hedging the portfolio against currency risk, and also against equity risk when the manager anticipates a sharp drop in market performance. On an ancillary basis, the Sub-Fund may invest in units/shares of UCITS and/or other UCIs up to 10% of its net assets.

The Sub-Fund may invest in securities with embedded derivatives (warrants, subscription certificates, etc.) traded on eurozone and/or international regulated markets or over the

counter. The use of embedded derivatives, as opposed to the other derivative instruments listed above, will mainly be as a result of the Sub-Fund seeking to optimise the hedging strategy, or, if appropriate, to improve the performance of the portfolio by reducing the costs related to the use of these financial instruments in order to achieve the investment objective. In any event, the amounts invested in securities with embedded derivatives cannot exceed 10% of the net assets. The risk associated with this type of investment will be limited to the amount invested in the purchase.

The Sub-Fund will not enter into repurchase/reverse repurchase transaction, securities lending, margin lending transaction and buy-sell back or sell-buy back transaction, and will not invest in TRS or Contracts for Difference (CFD). As a result, the Sub-Fund is not subject to the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

The Sub-Fund capitalises accrued income.

## **2. Risk Profile**

The risk profile of the Sub-Fund is, as follows:

➤ **Capital risk: Yes**

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are informed that the capital initially invested may not be returned. The Sub-Fund has no capital guarantee or protection.

➤ **Equity risk: Yes**

The Sub-Fund has exposure of at least 60% to equities. If the equities or indices to which the portfolio is exposed decline, the fund's Net Asset Value could also decline. On small- and medium-cap markets, the volume of securities listed on the stock exchange is relatively less, and therefore market downturns are more significant and rapid than on large-cap markets. The net asset value of the Sub-Fund can therefore fall more rapidly and more sharply.

➤ **Risk arising from discretionary management: Yes**

The discretionary management style applied to the Sub-Fund relies on stock selection. There is a risk that at any given point in time the SubFund will not be invested in the best-performing stocks. The Sub-Fund's performance can therefore fall below the investment objective. The net asset value of the Sub-Fund can also show negative performance.

➤ **Interest rate risk: Yes**

The Sub-Fund has exposure of no more than 25% to fixed-income products. The net asset value of the Sub-Fund can fall if interest rates rise.

➤ **Credit risk: Yes**

Up to 25% of the Sub-Fund is exposed to money market instruments or bonds. The credit risk corresponds to the risk of a private issuer's credit quality falling or the issuer defaulting. The value of the debt securities or bonds in which the Sub-Fund is invested can fall, causing a drop in the Sub-Fund's net asset value.

➤ **Currency risk: Yes**

This concerns the risk of a decline in investment currencies relative to the portfolio's benchmark currency, the euro. If a currency falls relative to the euro, the Sub-Fund's net asset value could fall.

➤ **Derivative risk: Yes.**

This concerns the risk of non-achievement of the derivatives' intended objectives and involves additional risks inherent to these instruments as more described in section "Risk factors" of Part A of this Prospectus.

The Sub-Fund's global exposure is calculated through the commitment approach.

The Management Company's risk management process as applicable to the Sub-Fund reflects the investment objectives and policy of the Sub-Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Sub-Fund's risk management. These risks are further described in section "Risk factors" of Part A of this Prospectus.

### **3. Profile of the Typical Investor**

Generally, the profile of the typical investor for whom the Sub-Fund has been designed is an investor wishing to invest in the equity markets and who is prepared to accept fluctuations in the value of its investment and the risks associated with investing in the Sub-Fund, as described in the section on "Risk Factors" of this Prospectus.

### **4. Valuation Date**

The Valuation Date of this Sub-Fund will be each full Bank Business Day as defined in section "Net Asset Value" in Luxembourg.

### **5. Subscription**

#### **5.1. Subsequent subscription / cut-off time**

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for shares must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in amounts or in a number of Shares.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

#### **5.2. Redemption / cut-off time**

Shareholders are entitled to redeem their Shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

## 6. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent on the Valuation Date until 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

## 7. Share Classes available

The Classes available in this Sub-Fund are listed in the table below. The Classes are either accumulating or distributing classes according to information in section "Income Policy" in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged against currency exposure	Investors	Initial minimum subscription and holding amount	Initial Share Amount
<b>K (EUR)</b>	Accumulation	EUR	NO	Institutional investors and financial intermediaries	EUR 100,000.-	EUR 1,000.-
<b>K (USD)</b>	Accumulation	USD	NO	Institutional investors and financial intermediaries	USD 100,000.-	USD 1,000.-
<b>K (CHF)</b>	Accumulation	CHF	NO	Institutional investors and financial intermediaries	CHF 100,000.-	CHF 1,000.-
<b>K (GBP)</b>	Accumulation	GBP	NO	Institutional investors and financial intermediaries	GBP 100,000.-	GBP 1,000.-
<b>B (EUR)</b>	Accumulation	EUR	NO	All investors	None	EUR 100.-
<b>B (USD)</b>	Accumulation	USD	NO	All investors	None	USD 100.-
<b>B (CHF)</b>	Accumulation	CHF	NO	All investors	None	CHF 100.-
<b>B (GBP)</b>	Accumulation	GBP	NO	All investors	None	GBP 100.-
<b>IXL (EUR)</b>	Accumulation	EUR	NO	Institutional investors	EUR 30,000,000.-	EUR 1,000.-

The initial minimum subscription and holding amount for classes K are valid for investors whose first subscription takes place from September 16, 2019. For investors present in the Sub-Fund before this date, there is no minimum.

Subscription in the Class(es) K is limited to INSTITUTIONAL INVESTORS and investors subscribing through intermediaries providing an independent advisory service or discretionary investment management (including the management company within the limits of the offer Echiquier Club Sélection), management companies which are managing funds of funds or distributors who:

- are subject to national law forbidding any inducements to distributors (i.e the United Kingdom and the Netherlands);

or

- provide investment services and activities as defined by the MiFID II directive,
- and for which they are exclusively remunerated by their clients.

The Company may in its discretion waive minimum subscription and/or holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.

## 8. Expenses

Classes	Subscription Fee	Conversion Fee	Max Management Fee	Performance Fee	Central Administration Fee*	Depository Fee*	Annual Tax*
<b>B (EUR)</b>	Max 3%	None	Max 1.75%	None	Max EUR 12,000	Max 0.01%	0.05%
<b>B (USD)</b>	Max 3%	None	Max 1.75%	None	Max EUR 12,000	Max 0.01%	0.05%
<b>B (CHF)</b>	Max 3%	None	Max 1.75%	None	Max EUR 12,000	Max 0.01%	0.05%
<b>B (GBP)</b>	Max 3%	None	Max 1.75%	None	Max EUR 12,000	Max 0.01%	0.05%
<b>K (EUR)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (USD)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (CHF)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (GBP)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>IXL (EUR)</b>	Max 3%	None	Max 0.70%	None	Max EUR 40,000	Max 0.01%	0.01%

\*\*Will be at the charge of the Management Company until the Board of Directors of the Company decides otherwise.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of shares also contain additional information on ongoing charges incurred by the Sub-Fund.

## ECHIQUIER ENTREPRENEURS SMALL CAP EUROPE

### SUB-FUND SPECIFICS

#### 1. Investment objective

##### 1.1. Investment objective of the Sub-Fund

**The Sub-Fund “Echiquier Entrepreneurs Small Cap Europe” is a Feeder Fund of the Master Fund “Echiquier Entrepreneurs”, sub-fund of a SICAV** constituted under French laws and qualifying as a master UCITS under Directive 2009/65/EC, **meaning that** it invests in practice substantially all of its assets into the Master Fund and will therefore hold virtually no or very low percentage of its assets in ancillary liquid assets. Therefore this addendum shall be read in conjunction with the prospectus of the Master Fund.

The Master Fund, established in 2013, appointed La Financière de l’Echiquier S.A. as its management company, being also the Management Company of the Sub-Fund. It must, at all times, (i) have at least one feeder UCITS among its shareholders, (ii) not itself become a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS.

The Reference Currency of the Sub-Fund is in Euro (“**EUR**”).

##### 1.2. Investment policy of the Sub-Fund

The Sub-Fund invests at least 85% of its assets in the units of the Master Fund “Echiquier Entrepreneurs”, as defined in the prospectus of the Master Fund, i.e. capitalization units.

This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, integrating the consideration of Sustainability Risk and ESG criteria as described in Part A, Section 4.

The up to 15% residual assets of the Sub-Fund are invested in ancillary liquid assets only as may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Sub-Fund. The Sub-Fund intends to minimize the level of ancillary liquid assets held for these purposes.

The Sub-Fund will not enter into financial derivative instruments apart from hedging the currency exposure of Classes of share not denominated in EUR.

The Sub-Fund will not enter into repurchase/reverse repurchase transaction, securities lending, margin lending transaction and buy-sell back or sell-buy back transaction, and will not invest in TRS or Contracts for Difference (CFD). As a result, the Sub-Fund is not subject to the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

The Sub-Fund will not be invested in ABS/MBS.

##### 1.3. Investment objective and policy of the Master Fund

The Master Fund “Echiquier Entrepreneurs” is a dynamic UCITS seeking long-term performance through the exposure to European equities of small and micro capitalisation.

The MSCI MicroCap Europe Index is a representative indicator of the asset management of the Master Fund. As the Master Fund is not index-based, it in no way intends to replicate the composition of this index. The index is not consistent with environmental and social characteristics promoted by the Master Fund. This index is representative of European small

and micro capitalisation company markets denominated in euros. It is calculated in euro, dividends reinvested.

The Master Fund has a minimum exposure of 60% to European equities and a maximum of 10% to non-European equities. The Master Fund is mostly exposed to European small capitalisation companies – i.e. having a market capitalization up to 1,5 billions - and its investment strategy is based on the potential growth of these securities. Compliance with these criteria is assessed at the time of the initial investment in these securities.

For PEA and PEA SME eligibility purposes, the Master Fund has a minimum investment of 75% in European equities issued by companies that comply with the following criteria: less than 5,000 employees and annual turnover lower than EUR 1,500 million euros or total assets lower than EUR 2,000 million euros, on the other. Compliance with these criteria is assessed at the time of the initial investment in these securities.

The Master Fund reserves the option to invest up to 25% of its assets in fixed-income products. The bonds in question are securities deemed 'Investment grade', i.e. rated at least BBB- by Standard & Poor's or equivalent as determined by the Management Company.

Forward financial instruments, traded on regulated, non-regulated or over-the-counter markets, may be used, exceptionally, for:

- Hedging the portfolio against currency risk, and also against equity risk when the manager anticipates a sharp drop in market performance;
- Exposing the portfolio from time to time to equity risk during periods of heavy subscription.

Under no circumstances whatsoever does the Master Fund adopt a strategy overexposing the portfolio to equity risk.

In addition, the Master Fund systematically incorporates environmental, social, and governance criteria.

The examples of indicators used for each of the E, S, and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans put in place by the company, exposure of suppliers to environmental risks, positive or negative impact of products on the environment;
- Social indicators: attractiveness of the employer brand, employee loyalty, fight against discrimination, employee protection, exposure of suppliers to social risks, relations with civil society;
- Governance indicators: competence of the management team, counter-power, respect for minority shareholders, business ethics.

The extra financial objectives consist in the management of the fund to:

- Conducting an ESG analysis of issuers (minimum 90%)

The ESG rating is out of 10 and is awarded to each issuer. This rating is determined by an internal methodology of the management company and is composed as follows:

- Governance: The Governance rating represents approximately 60% of the overall ESG score. This is a historical bias of La Financière de l'Echiquier, which has attached particular importance to this subject since its creation.;
- Environmental and Social: Social and environmental criteria are combined to determine a "Responsibility" score. Its calculation takes into account the type of company concerned:



- for industrial stocks: the social and environmental criteria are equally weighted in the "Responsibility" score.
- for service stocks: the "Social" score accounts for 2/3 of the "Responsibility" score, while the "Environmental" score represents 1/3 of the "Responsibility" score.

- To have an ESG performance superior to the one of its investment universe.
- Conducting an exclusionary approach based on sectoral and normative exclusions.
- Implement a filter based on ESG convictions (existence of a minimum rating).

The methodological limitations of the ESG approach mainly concern the reliability of extra-financial data published by issuers and the subjective nature of the rating implemented within the Management Company.

Sustainability Risks are integrated into the Master Fund's investment management process in compliance with the provisions of Article 8 of SFDR.

The Master Fund capitalises accrued income.

## 2. Risk Profile

It is intended that the performance of the various Classes of shares offered by the Sub-Fund will be similar to that of the "**Echiquier Entrepreneurs**" units of the Master Fund. However, the performance of both funds will not be equal due, in particular, to costs and expenses incurred by the Sub-Fund and the reference currency of the Classes of shares that may differ from that of the Master Fund.

The risk profile of the Sub-Fund is similar to the risk profile of the Master Fund as follows:

- Capital risk: Yes

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are informed that the capital initially invested may not be returned. The Master Fund has no capital guarantee or protection.

- Equity risk: Yes

The Master Fund has exposure of at least 60% to equities. If the equities or indices to which the portfolio is exposed decline, the fund's Net Asset Value could also decline. On small- and medium-cap markets, the volume of securities listed on the stock exchange is relatively less, and therefore market downturns are more significant and rapid than on large-cap markets. The net asset value of the Master Fund can therefore fall more rapidly and more sharply.

- Risk arising from discretionary management: Yes

The discretionary management style applied to the Master Fund relies on stock selection. There is a risk that at any given point in time the Master Fund will not be invested in the best-performing stocks. The Master Fund's performance can therefore fall below the investment objective. The net asset value of the Master Fund can also show negative performance.

- Interest rate risk: Yes

The Master Fund has exposure of no more than 25% to fixed-income products. The net asset value of the Master Fund can fall if interest rates rise.

➤ Credit risk: Yes

Up to 25% of the Master Fund is exposed to money market instruments or bonds. The credit risk corresponds to the risk of a private issuer's credit quality falling or the issuer defaulting. The value of the debt securities or bonds in which the Master Fund is invested can fall, causing a drop in the Master Fund's net asset value.

➤ Currency risk: Yes

This concerns the risk of a decline in investment currencies relative to the portfolio's benchmark currency, the euro. If a currency falls relative to the euro, the Master Fund's net asset value could fall.

➤ Derivative risk: Yes.

This concerns the risk of non-achievement of the derivatives' intended objectives and involves additional risks inherent to these instruments as more described in section "Risk factors" of Part A of this Prospectus.

➤ Small and micro capitalisation risks: Yes.

The risks relating to investments of the Master Fund in small and micro capitalization companies include without limitation: (a) the tendency of the securities of such companies to be less liquid, and subject to more abrupt or erratic market movements, than securities of larger, more established companies, because such companies' securities typically are traded in lower volume and with less frequency; (b) the tendency of such companies to be more subject to changes in earnings and prospects than larger, more established companies; (c) the tendency of such companies to be more dependent on limited financial resources, to have more limited product lines and markets, and to have smaller numbers of individuals in such companies management than larger, more established companies; (d) the relatively strong tendency of such companies to be involved in actual or anticipated reorganizations or restructurings which may, among other risks, present difficulty in obtaining information as to the financial condition of such companies; (e) the greater susceptibility of such companies to poor economic or market conditions and to changes in interest rates and borrowing costs; and (f) the relative infrequency with which such companies pay significant dividends.

The Sub-Fund's global exposure is calculated through the commitment approach.

The Management Company's risk management process as applicable to the Master Fund reflects the investment objectives and policy of the Master Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Master Fund's risk management. These risks are further described in section "Risk factors" of Part A of this Prospectus.

### **3. Profile of the Typical Investor**

Generally, the profile of the typical investor for whom the Sub-Fund has been designed is an investor wishing to invest in the Master Fund and who is prepared to accept fluctuations in the value of its investment and the risks associated with investing in the Master Fund through the Feeder Sub-Fund, as described in the section on "Risk Factors" of this Prospectus and in the prospectus of the Master Fund.

Investors should note that investment of the Sub-Fund is not suitable for UCITS since the Sub-Fund invests at least 85% of its assets in the Master Fund.

#### **4. Valuation Date**

Valuation dates of the Sub-Fund will be each full bank Business Day as defined in section "Net Asset Value" that corresponds to valuation dates of the Master Fund. As a result, the Valuation Date of the Sub-Fund will be each full bank business day in Luxembourg and in France.

#### **5. Subscription**

##### **1.1. Subsequent subscription / cut-off time**

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for shares must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in amounts or in a number of Shares.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

##### **1.2. Redemption / cut-off time**

Shareholders are entitled to redeem their Shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### **2. Conversion / cut-off time**

Applications for conversion must be received by the Registrar and Transfer Agent on the Valuation Date until 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### **3. Share Classes available**

The Classes available in this Sub-Fund are listed in the table below. The Classes are either accumulating or distributing classes according to information in section "Income Policy" in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged against currency exposure	Investors	Initial minimum subscription and holding amount	Initial Share Amount
<b>G (EUR)</b>	Accumulation	EUR	NO	Dedicated to marketing by financial intermediaries	None	EUR 1,000.-
<b>G (USD)</b>	Accumulation	USD	NO	Dedicated to marketing by financial intermediaries	None	USD 1,000.-
<b>G (CHF)</b>	Accumulation	CHF	NO	Dedicated to marketing by financial intermediaries	None	CHF 1,000.-
<b>G (GBP)</b>	Accumulation	GBP	NO	Dedicated to marketing by financial intermediaries	None	GBP 1,000.-
<b>A (EUR)</b>	Accumulation	EUR	NO	All investors	None	EUR 100.-
<b>A (USD)</b>	Accumulation	USD	NO	All investors	None	USD 100.-
<b>A (CHF)</b>	Accumulation	CHF	NO	All investors	None	CHF 100.-
<b>A (GBP)</b>	Accumulation	GBP	NO	All investors	None	GBP 100.-

Subscription in the Class(es) G is limited to investors subscribing through intermediaries providing an independent advisory service or discretionary investment management (including the management company within the limits of the offer Echiquier Club Sélection), management companies which are managing funds of funds or distributors who:

- are subject to national law forbidding any inducements to distributors (i.e the United Kingdom and the Netherlands);

or

- provide investment services and activities as defined by the MiFID II directive,
- and for which they are exclusively remunerated by their clients.

The Company may in its discretion waive minimum subscription and/or holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.

#### **4. Expenses**

The Sub-Fund is investing in the "**Echiquier Entrepreneurs**" units of the Master Fund. At the level of the Master Fund, the fees, charges and expenses associated with such investment are an annual management fee and other expenses of the Master Fund, as described in its prospectus. Details on the actual charges and expenses incurred at the level of the Master Fund are available on the website of the Management Company at [www.lfde.com/en/](http://www.lfde.com/en/). The KIIDs issued for each Share Class also contain additional information on ongoing charges incurred by the Company (aggregated with the charges incurred at the level of the Master Fund).

In compliance with the provisions of point IX C) of section 4.2 under Chapter 4 "Investment Objectives and Policies" above, no subscription or redemption fees will be charged to the Sub-Fund when investing in the Master Fund.

Classes	Subscription fee	Conversion Fee	Management Fee feeder	Management Fee Master Fund	Rebate granted by the Management Company to the feeder*	Max Management Fee, including the fees at the Master Fund's level and the rebate granted by the Management Company*	Performance Fee	Central Administration Fee**	Depositary Fee**	Annual Tax**
<b>G (EUR)</b>	Max 8% (including max 5% payable to the Sub-Fund***)	None	Max 1.35%	Max 2.392%	Min 95%	Max 1.35%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>G (USD)</b>	Max 8% (including max 5% payable to the Sub-Fund***)	None	Max 1.35%	Max 2.392%	Min 95%	Max 1.35%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>G (CHF)</b>	Max 8% (including max 5% payable to the Sub-Fund***)	None	Max 1.35%	Max 2.392%	Min 95%	Max 1.35%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>G (GBP)</b>	Max 8% (including max 5% payable to the Sub-Fund***)	None	Max 1.35%	Max 2.392%	Min 95%	Max 1.35%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>A (EUR)</b>	Max 8% (including max 5% payable to the Sub-Fund***)	None	Max 2.392%	Max 2.392%	Min 95%	Max 2.392%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>A (USD)</b>	Max 8% (including max 5% payable to the Sub-Fund***)	None	Max 2.392%	Max 2.392%	Min 95%	Max 2.392%	None	Max EUR 40,000	Max 0.01%	0.05%

<b>A (CHF)</b>	Max 8% (including max 5% payable to the Sub- Fund ***)	None	Max 2.392%	Max 2.392%	Min 95%	Max 2.392%	None	Max EUR 40,000	Max 0.01 %	0.05 %
<b>A (GBP)</b>	Max 8% (including max 5% payable to the Sub- Fund ***)	None	Max 2.392%	Max 2.392%	Min 95%	Max 2.392%	None	Max EUR 40,000	Max 0.01 %	0.05 %

\*All or a portion of management fees charged at the level of the Master Fund are rebated to the Feeder Sub-Fund by the Management Company and the management fee payable by the Sub-Fund for each Class offered is set at such rates so as to ensure that, for any given Class, the aggregate amount of the management fee for that Class and the management fee payable at the level of the Master Fund for the class in which the Sub-Fund invests corresponds to the management fee that would have been paid by an investor investing directly in that same share Class of the Master Fund.

\*\*Will be at the charge of the Management Company until the Board of Directors of the Company decides otherwise.

\*\*\* Exceptionally, only applicable to subscriptions exceeding 2,000,000 EUR per investor. The amount of 2,000,000 EUR per subscriber means per day of centralization; this measure is intended to spread investments over time in the Fund, taking into account its management orientation focusing on small and mid-cap stocks of which the trading volume is limited. The Management Company reserves the right to limit subscriptions (via the application of subscription fees systematically acquired from the Fund). If necessary, the Prospectus will be amended, and relevant information will be sent to Shareholders.

Moreover, there is no performance fee charged on any share class of the Master Fund

An investor who subscribes, converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of shares also contain additional information on ongoing charges incurred by the Sub-Fund (aggregated with the charges incurred at the level of the Master Fund).

## ECHIQUIER ARTIFICIAL INTELLIGENCE

### SUB-FUND SPECIFICS

#### 1. Investment Objective and Policy

##### 1.1. Investment objective

The actively managed Sub-Fund "Echiquier Artificial Intelligence" is a dynamic fund seeking long-term performance through exposure on growth securities in international markets. Particularly the Sub-Fund seeks to invest in companies developing Artificial Intelligence and/or companies benefiting from it.

The objective of the Sub-Fund is to achieve, over the recommended investment period, a performance net of fees higher than that of its benchmark index, the MSCI World Index Net Total Return. However, the Sub-Fund does not aim to replicate the performance of this index and the composition of the portfolio may therefore differ significantly from that of its performance indicator (i.e. the Sub-Fund may invest in instruments that are not part of the benchmark index). The index is not consistent with environmental and social characteristics promoted by the Sub-Fund.

The Reference Currency of the Sub-Fund is in Euro ("**EUR**").

##### 1.2. Investment policy of the Sub-Fund

The main strategy of the Sub-Fund is based on a stock picking bottom-up approach. Buy and sell prices are determined for each selected stocks based on a mid-term valuation. Thereby, selected cases have been subject to a very selective process based on a quantitative and a qualitative analysis. The Management Company can also conduct trading operations to take advantage of short-term market movements. The investment strategy is aimed at selecting securities participating in the development of artificial intelligence or in securities that are benefiting from the adoption of this technology. The investment strategy will also include securities whose activity is indirectly linked to artificial intelligence (ecosystem, infrastructure, etc.). Depending on the Management Company's conviction, portfolio construction can lead to a concentrated portfolio (less than 50 stocks).

This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, integrating the consideration of Sustainability Risk and ESG criteria as described in Part A, Section 4.

The Sub-Fund has an exposure of at least 60% to global equities including Eurozone and emerging-market equities. Exposure to emerging-market equities will however be limited to 30% of the net assets. At the date of this Prospectus, the targeted emerging countries are: Mexico, Brazil, Argentina, Venezuela, Colombia, Chili, Peru, China, South Korea, India, Taiwan, Indonesia, Thailand, Hong Kong, Malaysia, Pakistan, Philippines, Singapore, Russia, Turkey, Poland, Czech Republic, Hungary, South Africa, Egypt, Israel and Saudi Arabia. Such investments include exposure (up to 15% of the net assets on a global basis) to Chinese equities by investing in Participatory Notes ("P-Notes"), American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR") and in Chinese companies (up to 10% of the net assets) that are listed on the Hong Kong Stock Exchange, via the Shanghai-Hong Kong and Shenzhen Stock Connect. Lastly, the Sub-Fund will in any event not be exposed to more than 10% of its net assets in RMB (i.e. CNH and CNY).

The Sub-Fund is exposed across capitalizations of all sizes.



On an ancillary basis, and for liquidity management purposes, the Sub-Fund reserves the right to invest a maximum of 40% of the net assets in fixed-income products, that are deemed 'Investment grade', i.e. rated at least BBB- by Standard & Poor's or equivalent.

Forward financial instruments, traded on regulated markets, may be used, exceptionally, for:

- Hedging the portfolio against currency risk, and also, to a lesser extent, against equity risk when the manager anticipates a sharp drop in market performance;
- Exposing the portfolio from time to time to equity risk during periods of heavy subscription. Under no circumstances whatsoever does the fund intend to adopt a strategy overexposing the Sub-Fund's portfolio.

On an ancillary basis, the Sub-Fund may invest in units/shares of UCITS and/or other UCIs up to 10% of its net assets.

The Sub-Fund may invest in securities with embedded derivatives (warrants, subscription certificates, etc.) traded on eurozone and/or international regulated markets or over the counter. The use of embedded derivatives, as opposed to the other derivative instruments listed above, will mainly be as a result of the Sub-Fund seeking to optimise the hedging strategy, or, if appropriate, to improve the performance of the portfolio by reducing the costs related to the use of these financial instruments in order to achieve the investment objective. In any event, the amounts invested in securities with embedded derivatives cannot exceed 10% of the net assets. The risk associated with this type of investment will be limited to the amount invested in the purchase.

The Sub-Fund will not enter into repurchase/reverse repurchase transaction, securities lending, margin lending transaction and buy-sell back or sell-buy back transaction, and will not invest in Total Return Swap (TRS) or Contracts for Difference (CFD). As a result, the Sub-Fund is not subject to the CSSF Circular 14/592 and not subject to the Regulations (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

Lastly, the Sub-Fund will not be invested in ABS/MBS, distressed or defaulted securities or in Contingent Convertible Bonds ("Cocos").

In addition, the Sub-Fund systematically incorporates environmental, social, and governance criteria.

The examples of indicators used for each of the E, S, and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans put in place by the company, exposure of suppliers to environmental risks, positive or negative impact of products on the environment;
- Social indicators: attractiveness of the employer brand, employee loyalty, fight against discrimination, employee protection, exposure of suppliers to social risks, relations with civil society;
- Governance indicators: competence of the management team, counter-power, respect for minority shareholders, business ethics.

The extra financial objectives consist in the management of the fund to:

- Conducting an ESG analysis of issuers (minimum 90%)

The ESG rating is out of 10 and is awarded to each issuer. This rating is determined by an internal methodology of the management company and is composed as follows:

- Governance: The Governance rating represents approximately 60% of the overall ESG score. This is a historical bias of La Financiere de l'Echiquier, which has attached particular importance to this subject since its creation.;
  - Environmental and Social: Social and environmental criteria are combined to determine a "Responsibility" score. Its calculation takes into account the type of company concerned:
    - for industrial stocks: the social and environmental criteria are equally weighted in the "Responsibility" score.
    - for service stocks: the "Social" score accounts for 2/3 of the "Responsibility" score, while the "Environmental" score represents 1/3 of the "Responsibility" score.
- 
- To have an ESG performance superior to the one of its investment universe.
  - Conducting an exclusionary approach based on sectoral and normative exclusions.
  - Implement a filter based on ESG convictions (existence of a minimum rating).

The methodological limitations of the ESG approach mainly concern the reliability of extra-financial data published by issuers and the subjective nature of the rating implemented within the Management Company.

The Sub-Fund capitalises accrued income.

## 2. Risk Profile

The risk profile of the Sub-Fund is the following:

- Capital risk: Yes

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are informed that the capital initially invested may not be returned. The Sub-Fund has no capital guarantee or protection.

- Equity risk: Yes

The Sub-Fund has exposure of at least 60% to equities. If the equities or indices to which the portfolio is exposed decline, the net asset value of the Sub-Fund could fall. There is a risk associated with investing in the emerging countries, due essentially to the operating and supervision conditions on these markets, which may differ from the standards prevailing on the major international markets, and to political and regulatory factors.

- Currency risk: Yes

This concerns the risk of a decline in investment currencies relative to the portfolio's benchmark currency, the euro. If a currency falls relative to the euro, the Sub-Fund's net asset value could fall.

- Risk arising from discretionary management: Yes

The discretionary management style applied to the fund relies on stock selection. There is a risk that at any given point in time the Sub-Fund will not be invested in the best-performing stocks. The Sub-Fund's performance can therefore fall below the investment objective. The net asset value of the Sub-Fund can also show negative performance.

- Interest rate risk: Yes

The Sub-Fund has exposure of no more than 40% to fixed-income products. The net asset value of the Sub-Fund can fall if interest rates rise.

- Credit risk: Yes

Up to 40 % of the Sub-Fund is exposed to money market instruments or bonds. The credit risk corresponds to the risk of a private issuer's credit quality falling or the issuer defaulting. The value of the debt securities or bonds in which the Sub-Fund is invested can fall, causing a drop in the Sub-Fund's net asset value.

➤ Derivative risk: Yes

This concerns the risk of non-achievement of the derivatives' intended objectives and involves additional risks inherent to these instruments as more described in section "Risk factors" of Part A of this Prospectus.

➤ Emerging market risk: Yes

The Sub-Fund may be exposed to emerging market risks. Specific risks in connection with emerging markets shall then be considered as further described in Part A "General Information".

➤ Shenzhen and Shanghai-Hong Kong Stock Connect risks: Yes

The Sub-Fund may be exposed to the Shenzhen and Shanghai-Hong Kong Stock Connect ("SSE" and "SEHK", together the "Stock Connect"). Specific risks in connection with China shall then be considered as further described in Part A "General Information" and "Legal and beneficial ownership risks".

➤ P-Notes risks risk: Yes

Investment in P-Notes gives entitlement to a cash payment calculated on the basis of an underlying share to which the instrument is linked. It is not a direct investment in the securities. P-Notes do not give entitlement to rights inherent in shares; they merely replicate the security's volatility and its economic aspects. P-Notes are subject to the terms and conditions imposed by their issuers. This may result in delays the implementation of the Sub-Fund's investment strategy owing to restrictions on the acquisition or sale of underlying equity securities. Investments in P-Notes may be illiquid as there is no active P-Notes market. To meet redemption requests, the Sub-Fund must consult the counterparty that issued the P-Notes so that it can set a redemption price. This price, in addition to the market price, reflects the market's liquidity conditions and the size of the transaction. By seeking exposure to certain listed equity securities via P-Notes, the Sub-Fund concerned bears the credit and default risk of the P-Notes issuer as well as equity risk. In fact, there is a risk that the issuer will not be able to unwind the transaction owing to a credit or liquidity problem, thereby causing a loss for the Sub-Fund. Owing to the relatively high cost of investing in P-Notes, the investment may result in a dilution of the performance of the Sub-Fund compared with a fund investing directly in similar assets.

➤ Depositary receipts (ADR/GDR): Yes

Investment into a given country may be made via direct investments into that market or by depositary receipts traded on other international exchanges, including unsponsored depositary receipts, in order to benefit from increased liquidity in a particular security and other advantages. A depositary receipt admitted to the official listing on a stock exchange in an eligible state or traded on a regulated market in which the security to which it relates normally trades. Unsponsored depositary receipts may not provide as much information about the underlying issuer and may not carry the same voting privileges as sponsored depositary receipts.

The Sub-Fund's global exposure is calculated through the commitment approach.

The Management Company's risk management process as applicable to the Sub-Fund reflects the investment objectives and policy of the Sub-Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Sub-Fund's risk management. These risks are further described in section "Risk factors" of Part A of this Prospectus.

### **3. Profile of the Typical Investor**

Generally, the profile of the typical investor for whom the Sub-Fund has been designed is an investor wishing to invest in International Equities and who is prepared to accept fluctuations in the value of its investment and the risks associated with investing in the Sub-Fund, as described in the section on "Risk Factors" of this Prospectus.

### **4. Valuation Date**

Valuation dates of the Sub-Fund will be each full bank Business Day as defined in section "Net Asset Value" in Luxembourg.

### **5. Subscription**

#### **5.1. Subsequent subscription / cut-off time**

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for shares must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in amounts or in a number of Shares.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

#### **5.2. Redemption / cut-off time**

Shareholders are entitled to redeem their Shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent on the Valuation Date until the cut-off time fixed at 10:00 a.m. Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

### **6. Conversion /cut-off time**

Applications for conversion must be received by the Registrar and Transfer Agent on the Valuation Date until 10:00 a.m. Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

### **7. Share Classes available**

The Classes available in this Sub-Fund are listed in the table below. The Classes are either accumulating or distributing classes according to information in section "Income Policy" in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged against currency exposure	Investors	Initial minimum subscription and holding amount	Initial Share Amount
<b>K (EUR)</b>	Accumulation	EUR	NO	Institutional investors and financial intermediaries	None	EUR 100.-
<b>K (USD)</b>	Accumulation	USD	NO	Institutional investors and financial intermediaries	None	USD 100.-
<b>K (USD-hedged)</b>	Accumulation	EUR	YES*	Institutional investors and financial intermediaries	None	EUR 100.-
<b>B (EUR)</b>	Accumulation	EUR	NO	All investors	None	EUR 100.-
<b>B (USD)</b>	Accumulation	USD	NO	All investors	None	USD 100.-
<b>M (EUR)</b>	Accumulation	EUR	NO	All investors	EUR 1,000,000.-	EUR 1,000.-
<b>IXL (EUR)</b>	Accumulation	EUR	NO	Institutional investors	EUR 30,000,000.-	EUR 1,000.-
<b>IXL (USD-hedged)</b>	Accumulation	EUR	YES*	Institutional investors	EUR 30,000,000.-	EUR 1,000.-

\*The share-classes IXL (USD-hedged) and K (USD-hedged) are hedged only against the investment positions in USD of their underlying portfolio.

Subscription in the Class(es) K is limited to INSTITUTIONAL INVESTORS and investors subscribing through intermediaries providing an independent advisory service or discretionary investment management (including the management company within the limits of the offer Echiquier Club Sélection), management companies which are managing funds of funds or distributors who:

- are subject to national law forbidding any inducements to distributors (i.e the United Kingdom and the Netherlands);

or

- provide investment services and activities as defined by the MiFID II directive,
- and for which they are exclusively remunerated by their clients.

Subscription in the Class M was only possible as long as the asset of the Sub-fund was below EUR 50,000,000. Since 23 October 2019, the subscription in this share is closed.

The Company may in its discretion waive minimum subscription and/or holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.

## 8. Expenses

Classes	Subscription Fee	Conversion Fee	Management Fee	Performance Fee	Central Administration Fee*	Depository Fee*	Annual Tax*
<b>K (EUR)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (USD-hedged)</b>	Max 3%	None	Max 1.00%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>K (USD)</b>	Max 3%	None	Max 1.00%	None	Max USD equivalent of EUR 40,000	Max 0.01%	0.05%
<b>B (EUR)</b>	Max 3%	None	Max 1.65%*	15% of the performance above the index of reference **	Max EUR 40,000	Max 0.01%	0.05%
<b>B (USD)</b>	Max 3%	None	Max 1.65%*	15% of the performance above the index of reference **	Max USD equivalent of EUR 40,000	Max 0.01%	0.05%
<b>M (EUR)</b>	Max 3%	None	Max 0.50%	None	Max EUR 40,000	Max 0.01%	0.05%
<b>IXL (EUR)</b>	Max 3%	None	Max 0.70%	None	Max EUR 40,000	Max 0.01%	0.01%
<b>IXL (USD-hedged)</b>	Max 3%	None	Max 0.70%	None	Max EUR 40,000	Max 0.01%	0.01%

\*Will be at the charge of the Management Company until the Board of Directors of the Company decides otherwise.

\*\*The Management Company may charge a performance fee of 15% (including tax) of the outperformance above the index of reference (please refer to the investment objective section). The performance fee is calculated and accrued at each Valuation Date during the Performance Fee Crystallisation Period, after deducting all expenses, fees (but not the performance fee) and adjusting for subscriptions, redemptions and distributions so that these will not affect the performance fee payable. The performance fee accrual is adjusted at each Valuation Date, on the basis of 15% of the outperformance of the Sub-Fund compared to the index of reference under the condition that the performance is positive during the Performance Fee Crystallisation Period. In the event of underperformance of the Sub-Fund in relation to the index of reference, this accrual is readjusted by means of the offset of the performance fee's accruals, such offsets being limited to the accrual amount during the Performance Fee Crystallisation Period. The Performance Fee Crystallisation Period starts for the first time as from 01 August 2020 and will end on 31 July 2021 for class B (EUR), whereas for class B (USD) the Performance Fee Crystallisation Period starts for the first time on 06 January 2021 and ends on 30 September 2022. As from the 01 August 2021, the Performance Fee Crystallisation Period ends on 30 September each year. Therefore, the following Performance Fee Crystallisation Period for class B (EUR) will run exceptionally from 01 August 2021 to 30 September 2022. The performance fees are charged by the Management Company annually. Performance fees are charged only if the net asset value at the end of the Performance Fee Crystallisation Period is higher than the net asset value at the beginning of the Performance Fee Crystallisation Period. In the event of redemption of Shares, the performance fee's accruals related to these redeemed Shares are crystallised and payable immediately to the Management Company. In the event of subscriptions of Shares, the past performance fee for the relevant period will be accrued (where applicable) in the NAV per Share that will be used to execute these subscriptions.

In case of overperformance compared to the index of reference at the end of the Performance Fee Crystallisation Period, the accrued performance fee is crystallised and paid to the Management Company. Then, new Performance Fee Crystallisation Period starts.

In case of overperformance compared to the index of reference but a negative performance at the end of the Performance Fee Crystallisation Period, no performance fee is paid to the Management Company. Then, a new Performance Fee Crystallisation Period starts.

In case of underperformance compared to the index of reference at the end of the Performance Fee Crystallisation Period, no performance fee is paid to the Management Company and the Performance Fee Crystallisation Period is extended by a new yearly period to ensure that any underperformance of the fund compared to the index of reference is clawed back before any performance fee becomes payable. Such an underperformance recovery mechanism may be reiterated on yearly basis with a maximum of 5 years (Performance Fee Reference Period).

Please refer to the calculations examples in the table below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Sub-Fund's performance	+ 3%	+ 1%	+ 0 %	- 4 %	+ 6 %
Index's performance	+ 1%	+ 5%	- 1 %	- 9 %	+ 1 %
Over/under performance	+ 2%	- 4%	+ 1 %	+ 5 %	+ 5 %
Total over/under performance		-4%	- 3 %	+ 2 %	+ 5 %
Performance fee	15% x 2 %	0	0	0	15% x 5 %
Performance Fee Reference Period*	=====>	=====>	=====>	=====>	=====>

\*Regarding the Performance Fee Reference Period, the arrows in the table indicate the beginning of a new Performance Fee Reference Period upon payment of the accrued performance fee and the extension of the Performance Fee Reference Period in case of underperformance, as detailed in the above paragraphs. The beginning of a new Performance Fee Period occurs also in case of negative performance when no performance fee is paid.

An investor who subscribes, converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of shares also contain additional information on ongoing charges incurred by the Sub-Fund.

## **ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA**

Facility in Austria according to EU Directive 2019/1160 article 92:

Erste Bank der österreichischen Sparkassen AG  
Am Belvedere 1,  
A-1100 Vienna/Austria  
E-mail: foreignfunds0540@erstebank.at

Applications for the redemption and conversion of units may be sent to the Austrian Facility. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the Austrian Facility.

The full prospectus (composed of the Prospectus and the Investment Fund Rules), the KIIDs and the annual and semi-annual reports may be obtained, free of charge in hardcopy, at the office of the Austrian Facility during normal opening hours.

Issue, redemption and conversion prices of units and any other information to the unitholders are also available, free of charge in hardcopy form, from the Austrian Facility. No notification has been filed for the investment compartment ECHIQUIER ENTREPRENEURS SMALL CAP EUROPE.

## **ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

### **Right to market shares in Germany**

FINANCIERE DE L'ECHIQUIER (the "Company") has notified its intention to market shares in the Federal Republic of Germany and since completion of the notification process it has the right to market shares.

No notification has been filed for the investment compartment ECHIQUIER ENTREPRENEURS SMALL CAP EUROPE. The shares of ECHIQUIER ENTREPRENEURS SMALL CAP EUROPE and may not be marketed to investors within the jurisdiction of the Investment Code.

### **Paying Agent in Germany**

#### **BNP PARIBAS SECURITIES S.C.A FRANKFURT**

The function of paying and information agent in the Federal Republic of Germany is carried out by:

BNP Paribas Securities Services S.C.A. Europaallee 12, 60327 Frankfurt am Main Germany

"Paying and Information Agent"

Redemption applications may be sent to the Paying and Information Agent for onward transmission to the Company. Shareholders residing in Germany may request that they receive payments (redemption proceeds, distributions, if any, and any other payments) from the Company through the Paying and Information Agent.

Copies of the sales prospectus (including the rules of the fund), the key investor information document (KIID) as well as the audited annual account and, if subsequently published, the unaudited half-yearly account may be obtained free of charge in paper form at the registered office of the Paying and Information Agent.

Furthermore, the subscription and redemption prices are available free of charge at the Paying and Information Agent.



## **Publications**

In Germany, the subscription and redemption prices will be published on [www.fin-echiquier.fr/de](http://www.fin-echiquier.fr/de)

Shareholder notifications, if any, will be published on the management company's website : [www.lfde.com](http://www.lfde.com). In the cases enumerated in Sec. 298 (2) KAGB shareholders additionally will be notified by means of a durable medium in terms of Sec. 167 KAGB.

For any information :

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