



LA FINANCIERE DE L'ECHIQUIER

ECHIQUIER GLOBAL CONVERTIBLES

PROSPECTUS – 2017 FEBRUARY 3rd

I. General features:

I-1 Form of the UCITS

► **Name:**

ECHIQUIER GLOBAL CONVERTIBLES

► **Legal form and member state in which the UCITS was created:**

Mutual Fund (FCP) under French law

► **Inception date and expected lifetime:**

The Fund was created on 26 April 2013 for a term of 99 years.

► **Fund overview:**

UCITS compliant with European Directive 2009/65/EC

Units	Features				
	ISIN	Distributable sums allocation	Currency	Eligible investors	Minimum subscription (*)
Echiquier Global Convertibles	FR0011449537	Net income: Accumulation Realized net gains: Accumulation	EUR	All investors	None
Echiquier Global Convertibles I	FR0012070001	Net income: Accumulation Realized net gains: Accumulation	EUR	Reserved for institutional investors	1,000,000 euros

(*) except for the management company, which can subscribe for one unit

► **Where to obtain the latest annual and interim reports:**

The latest annual and interim reports may be sent to unitholders within eight business days on written request to:

LA FINANCIERE DE L'ECHIQUIER
53, avenue d'Iéna
75116 Paris
France

If required, additional information may be obtained from the management company by telephoning (+33) 01.47.23.90.90.

I-2 Parties involved

► **Management company:**

The management company was approved by the AMF (Autorité des Marchés Financiers) under number GP 91004 on 17/01/1991.

LA FINANCIERE DE L'ECHIQUIER
53, avenue d'Iéna
75116 Paris
France

► **Depository and Custodian:**

Identity of the depository of the UCITS:

The appointed depository is BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA, located at 9, rue du Débarcadère 93500 PANTIN (the "Depository").

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 Prudential et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 3 rue d'Antin, 75002 Paris.

Description of its duties and of conflicts of interest that may arise:

The Depository exercises three types of responsibilities, namely the oversight of the Management Company (as defined in Art 22.3 of the UCITS V directive), the monitoring of the cash flows of the UCITS (as set out in Art 22.4) and the safekeeping of the UCITS assets (per Art 22.5).

The overriding objective of the Depository is to protect the interests of the holders / investors of the UCITS, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the UCITS maintains other business relationships with BNP Paribas Securities Services SCA in parallel with an appointment of BNP Paribas Securities Services SCA acting as Depository. For example, BNP Paribas

Securities Services SCA could as well as acting as Depository also be providing the UCITS or the Management Company with fund administration services, including net asset value calculation.

In order to address situations of conflicts of interest, the Depository has implemented and maintains a management of conflicts of interest policy, aiming 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 maintaining separate legal entities, 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, making sure that operations are carried out at arm's length and/or informing the concerned client, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

Description of any safekeeping functions delegated by the Depository, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation:

The depository of the UCITS, BNP Paribas Securities Services SCA, is responsible for safekeeping of the assets (as defined in Art 22.5 of 2009/65/CE Directive modified by 2014/91UE Directive named the "UCITS V directive").

In order to provide custody services in a large number of countries allowing UCITS to meet their investment objectives, in addition to its large proprietary network, BNP Paribas Securities Services SCA has appointed entities as delegates for sub-custody functions in countries where it has no direct local presence. These entities are listed in Appendix

<http://securities.bnpparibas.com/solutions/asset-fund-services/depository-bank-and-trustee-serv.html>

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.

► **Statutory auditor:**

MAZARS

Represented by Gilles DUNAND-ROUX

Exaltis

61, rue Henri Regnault

92075 La Défense Cedex

France

► **Distributor:**

LA FINANCIERE DE L'ECHIQUIER

53, avenue d'Iéna

75116 Paris

France

This list of distributors is not exhaustive, mainly as the UCITS is listed on Euroclear. As a result, some distributors may not be mandated by or known to the management company.

► **Delegates:**

Only the administrative and accounting management has been delegated:

SOCIETE GENERALE Securities Services Net Asset Value

A société anonyme (limited liability company) under French law

Immeuble Colline Sud – 10, passage de l'Arche

92034 Paris La Défense Cedex

France

► **Advisers:** none

► **Centralising agent for subscription and redemption orders by delegation of the Management Company:**

BNP PARIBAS SECURITIES SERVICES is responsible for receiving subscription and redemption orders.

II. Operating and management procedures:

II-1 General features

► **Features of units or shares:**

ISIN code for Echiquier Global Convertibles units: FR0011449537

ISIN code for Echiquier Global Convertibles I units: FR0012070001

Nature of rights attached to the unit class: each unitholder has a co-ownership right to the Fund's assets in proportion to the number of units owned.

Registrar: the register of unitholders is managed by the custodian, BNP PARIBAS SECURITIES SERVICES. The administration of units is carried out by Euroclear France.

Voting rights: as the Fund is a jointly-owned pool of transferable securities, no voting rights are attached to the units held. Decisions on the Fund are taken by the management company in the unitholders' interests.

Type of units: bearer units.

Sub-division of units: Subscriptions and redemptions are carried out in thousandths of units.

► **Year-end:**

The last trading day of the Paris stock market in December each year. The first financial year-end was the last trading day of the stock market in December 2013.

► **Tax regime:**

This prospectus does not purport to set out the tax implications for investors of subscribing, redeeming, holding or selling the Fund's units. These implications will vary, depending on the laws and practices that apply in the country of residence, domicile or incorporation of the unitholders and on their personal situations.

Depending on your tax status, your country of residence or the jurisdiction from which you invest in the Fund, any capital gains and income resulting from the holding of units of the Fund may be subject to taxation. We advise you to consult a tax adviser in relation to the potential consequences of purchasing, holding, selling or redeeming units of the Fund according to the laws of your country of tax residence, ordinary residence or domicile.

Neither the management company nor the distributors shall accept any responsibility whatsoever for the tax consequences that may arise for investors following a decision to purchase, hold, sell or redeem units of the Fund.

The Fund offers two capitalisation units. Unitholders are advised to consult their tax adviser on the regulations in force in their country of residence for their particular situation (individuals, legal entities subject to corporate income tax, etc.). The rules applying to French resident unitholders are set by the French General Tax Code.

In general, Fund unitholders are advised to consult their usual financial adviser or customer relationship manager to clarify the tax rules applicable in their particular circumstances.

Under the United States FATCA regulations (Foreign Account Tax Compliance Act), unitholders may be required to provide the Fund, the management company or their agent with information on their personal identity and place of residence (domicile and tax residence) for the purpose of identifying "US persons", as defined by FATCA. This information may be sent to the United States tax authorities via the French tax authorities. The failure by unitholders to fulfil this obligation may result in the deduction of a 30% withholding tax on US source income. Notwithstanding the efforts of the management company in relation to FATCA, unitholders are asked to ensure that the financial intermediary they have used to invest in the Fund has "Participating FFI" status. For more information, unitholders should contact a tax adviser.

II-2 Specific features

► **Classification:** DIVERSIFIED

► **Investment objective:**

ECHQUIER GLOBAL CONVERTIBLES is a fund that actively manages international convertible bonds in order to outperform the benchmark UBS GLOBAL FOCUS HEDGED CB (EUR) index.

► **Benchmark:**

There is no existing index that mirrors the Fund's investment objective precisely. The closest index is the Thomson Reuters Global Focus Hedged CB Index (EUR). The UCITS is neither an index fund nor an index-linked fund. The Thomson Reuters Global Focus Hedged CB Index (EUR) index is representative of the performance of international convertible bonds, with coupons reinvested. This index is hedged against currency risk and can be consulted on the Bloomberg website (code UCBIFX14).

► **Investment strategy:**

1. **Strategies used**

The Fund adopts a strategy of discretionary management of a portfolio of hybrid international convertible bonds and similar securities.

The Fund's managers select hybrid convertible bonds. The aim of these products is to exploit equity market upside while using the bond component to offer downside protection, the pay-off being that returns are sometimes lower than those provided by a traditional bond. They also have an asymmetrical return profile, meaning that they benefit more from rising equity markets than they suffer from falling markets.

Hybrid convertible bonds make the most of this asymmetrical profile. Their delta makes them more sensitive than other products to changes in the equity market, meaning they can capitalise on any upside. Having said that, their bond floor is sufficiently close to offer downside protection. These securities with high convexity are particularly attractive because of their ability to exploit upside and offer downside protection.

In order to optimise the risk/return profile, the management strategy adopted follows a precise process and is subject to systematic controls. The management process combines several complementary approaches:

- Global allocation concerning exposure to the equity markets, interest rates, volatility and credit
- Stock-picking of underlying equities
- A selection of convertible bonds with particular features enabling optimum performance and risk of the underlying security.

As such, the process combines fundamental and quantitative analysis, and is based on specific analysis of convertible bonds. Moreover, the process involves rigorous analysis of sectoral factors and equity market sensitivity.

In order to determine medium- and long-term positions, the investment strategy relies on analysing various macroeconomic indicators as well as choosing which underlying equities form part of our investment universe and which convertible bonds constitute the framework of our investment.

With a view to delivering performance, the strategy focuses more on the equity component on the convertible bonds than on the debt aspects (such as duration and credit). Managers will pick securities whose underlying equities they think will increase and whose credit they think will

remain stable or improve. Since this assessment by the fund managers of the credit risk associated with each issuer is an integral part of the management process, the Fund has no particular limit with regard to external ratings. As such, investments in unrated or high-yield securities (more risky, speculative securities) may account for up to 100% of the Fund's assets.

When making a more specific choice of issuer, a macroeconomic approach is followed by an analysis that combines fundamental and quantitative approaches.

A database and scoring system is used to evaluate the benchmark universe. The manager scores the equities based on their valuation, quality, growth and momentum. This is a dynamic analysis based on different horizons.

The next stage involves identifying convertible bonds with features that reflect and optimise the previously defined target portfolio.

With regard to this, several criteria are used to select convertible bonds for the portfolio:

- Minimal conversion premium
- Minimal risk of loss
- Minimal contingent option price
- Minimal credit risk

Between 60% and 100% of the Fund's assets are always exposed to convertible bonds and similar securities from all geographical areas. Between 5% and 30% of the Fund's assets are exposed to emerging (non-OECD) countries. The managers also create synthetic exposure aimed at replicating a convertible bond's risk profile. For example, this risk profile can be replicated by investing in a negotiable debt security or a traditional bond and in a share option.

The Fund may invest up to 10% of its assets directly in equity, although this limit is likely to be approached only in very particular situations, such as the convertible bond market being more expensive than the equity market or bonds being converted into shares, or when the Fund is pending investment. Most of the time, direct investment in equities is marginal.

Geographical and sector-based allocation within the various markets is at the manager's discretion.

The portfolio's sensitivity to interest rates is kept within the interval [0;7].

The managers can invest up to 10% in units or shares of UCITS if they think this will help their management strategy or to get a return on liquidity. Derivatives may be used to counteract the various types of portfolio risk: currency risk, equity risk and hedging/exposure rates (particularly in order to replicate the risk profile of a convertible bond and manage interest rate sensitivity). Preferably, the Fund operates in organised European and international futures markets with a clearing house, but it reserves the right to enter into over-the-counter agreements in order to hedge against market, interest rate, equity and currency risks.

The Fund's policy is to neutralise the currency risk associated with investments in assets denominated in currencies other than the euro as soon as possible. It can also take account of implied currency risk, such as when a convertible bond and its underlying security are denominated in different currencies. As an additional measure, the managers may create net exposure to a currency, particularly if it is part of the Fund's benchmark index.

In any event, total significant (i.e. greater than 1%) net exposure to currencies other than the euro must stay below 10% of net assets.

The overall risk associated with the Fund's financial contracts is measured using the commitment approach and is kept below the level of net assets.

2. Assets used (excluding derivatives)

A/Equities:

ECHIQUEUR GLOBAL CONVERTIBLES may invest up to 10% of its net assets in international equities.

This limit is likely to be approached only in very particular situations, such as the convertible bond market being more expensive than the equity market or other technical reasons, or when the Fund is pending investment. Most of the time, direct investment in equities is marginal.

The technical reasons mentioned above include when shares are held:

- following the conversion of convertible bonds
- following the exchange of exchangeable bonds
- following a call-back by the issuer
- following a redemption in shares by the issuer
- pending the creation of a synthetic convertible bond.

B/Debt securities and money market instruments:

Between 60% and 100% of the Fund's net assets are always invested in convertible bonds and similar securities. The managers also create synthetic exposure aimed at replicating a convertible bond's risk profile. For example, this risk profile can be replicated by investing in a negotiable debt security and in a share option.

The issuers of these instruments are always private or public entities. These instruments, which generally have a maturity of 3-5 years, include:

- Bonds that can be converted into shares. The Fund can also invest in convertible bonds with share warrants (OCABSAs), convertible bonds with a low coupon and a redemption premium, and bonds that can be converted into and/or exchanged for new or existing shares (OCEANes);
- Index-linked bonds;
- Bonds redeemable in shares (ORAs, ORANes, ORABSAs);
- Bonds exchangeable against shares;
- Bonds with share subscription warrants (OBSAs, OBSARs).

The Fund may also invest in negotiable debt securities, particularly in order to invest its short-term cash flow. The maximum maturity of debt securities used for the Fund's cash management will be five years. Short-term securities used for this purpose will have a short-term rating from Standard & Poor's of "investment grade" or an equivalent rating from another agency, or are considered as such by the management team. Negotiable debt securities that are not investment grade, or which are unrated, may be used up to the limit of 10%.

During the purchase process and for monitoring purposes over the life of the securities, credit risk is assessed on the basis of research and analysis carried out in house by LA Financière de l'Echiquier.

For securities that are not investment grade or are unrated, their issuers are placed in groups monitored by LA Financière de l'Echiquier's research teams.

If an issuer's situation deteriorates during the life of an investment (in some cases, this will be confirmed by a rating downgrade), the manager conducts an analysis on a case-by-case basis and decide whether or not to maintain the position concerned. The investment limits defined in relation to the assessment of credit risk by the rating agencies may therefore be adjusted slightly to reflect the management team's own analysis.

3. Investment in units of other undertakings for collective investment

The Fund may invest up to 10% of its assets in units or shares of other French and/or European UCITS, and in general purpose investment funds. These may be UCIs in any AMF category.

The Fund may invest in UCITS of the management company or an associate company.

4. Derivatives

Derivatives may be used to counteract the different types of portfolio risk. Preferably, the Fund operates in organised European and international futures markets with a clearing house, but it reserves the right to enter into over-the-counter agreements if these are a better fit with the investment objective or are cheaper. The Fund may use firm or conditional futures. Only simple derivatives are permitted.

Main types of uses and instruments likely to be used based on the risks in question:

- Equity risk: as a hedge or to replicate the risk profile of a convertible bond; the instruments are mainly options and futures, and the Fund will be able to operate on the futures markets of international indices (e.g. Nikkei, DJ, S&P 500).
- Interest rate risk: essentially to reduce or manage portfolio sensitivity; the instruments are mainly futures or swaps, and the Fund will be able to operate on the futures markets of fixed-rate instruments (e.g. Bund, BOBL, JGB, T-notes).
- Currency risk: the Fund's policy is to neutralise the currency risk associated with investments in assets denominated in currencies other than the euro as soon as possible, and it will act to this effect on futures markets using currency swaps or forwards. It can also take account of implied currency risk, such as when a convertible bond and its underlying security are denominated in different currencies. As an additional measure, the managers may create net exposure to a currency, particularly if it is part of the Fund's benchmark index.
- In any event, total significant (i.e. greater than 1%) net exposure to currencies other than the euro must stay below 10% of net assets. The instruments used are swaps and forwards.

These transactions will be carried out up to the limit of 100% of the UCITS' assets.

Financial instruments are entered into with intermediaries selected by the management company that have no say on the composition or management of the Fund's portfolio.

5. Securities with embedded derivatives

Where they are necessary or beneficial, securities with embedded derivatives (EMTNs, BMTNs, subscription certificates, warrants, etc.) may be used instead of, but with the same goal as, assets or derivatives. All authorised securities may be used for this purpose.

6. Deposits

The Fund may make deposits in order to manage its cash flow, up to 10% of its assets.

7. Cash borrowings

The Fund may borrow cash. Although the Fund may be in a debtor position temporarily as a result of its payment flows (investments and disposals in progress, subscription/redemption transactions, etc.) up to a limit of 10% of its assets, this does not form part of the investment objective.

8. Temporary purchase and sale transactions: None

► Risk profile:

Your money will be principally invested in financial instruments selected by the management company. These instruments will be exposed to market trends and fluctuations.

The risks mentioned below are not exhaustive. Investors should analyse the inherent risk of each investment and forge their own opinion.

The main risks to which investors are exposed are as follows:

Discretionary management risk: yes

The discretionary management style adopted by the Fund is based on a selection of securities. There is a risk that ECHIQUIER GLOBAL CONVERTIBLES might not be invested in the best-performing securities at all times. The Fund may therefore not achieve its performance objective. Moreover, the net asset value of the Fund may post a negative performance.

Risk of capital loss: yes

Capital loss occurs when a unit is sold for less than its purchase price. Unitholders are warned that they may not get back all the capital they initially invested. The Fund offers no capital guarantee or protection.

Liquidity risk: yes

The Fund invests in markets that may be affected by a drop in liquidity. The low transaction volume in these markets may affect the price at which the manager enters into or liquidates positions.

Equity risk: yes

Equity risk is the risk of a fall in the equity markets. Since the Fund is exposed to equities, its net asset value may drop significantly.

Emerging-country risk: yes

Emerging-country equities offer less liquidity than large caps in developed countries. As a result, their possession may increase portfolio risk. Market downturns can be more pronounced and sudden than in developed countries, which means the Fund's net asset value may suffer a greater and sharper fall.

Credit risk: yes

Credit risk is the risk that an issuer defaults or suffers a credit rating downgrade. The value of debt securities in which the Fund invests may fall, causing the Fund's net asset value to decline. This risk is greater for high-yield securities and may be greater for certain securities with no agency rating. Since the Fund can invest 100% of its assets in such securities, their use may result in a greater risk of reduction in net asset value.

Risk associated with investing in convertible bonds: yes

The value of convertible bonds depends on, among things, factors related to interest rates, credit, equities and the embedded option price. These factors may result in a reduction in the Fund's net asset value.

Risk associated with using high-yield securities (more risky, speculative securities): yes

The Fund must be considered partially speculative and aimed particularly at investors who are aware of the inherent risks of investing in non-investment-grade or unrated securities.

As such, the use of high-yield securities may result in a higher risk of reduction in net value.

Currency risk: yes

Currency risk concerns the Fund's investments that are denominated in currencies other than the euro. This risk relates to the fluctuations in currencies against the euro and primarily concerns currencies such as the US dollar, the Swiss franc, the sterling and the yen. Exposure to non-European currency risk must not exceed 10% of the Fund's assets.

Interest rate risk: yes

ECHIQUIER GLOBAL CONVERTIBLES is exposed to interest rate risk. Part of the portfolio may be negatively affected by an increase in interest rates, resulting in a reduction in the Fund's net asset value.

Counterparty risk: yes

This is the risk that a counterparty may be declared bankrupt, meaning it is unable to fulfil its payment obligations in relation to over-the-counter transactions.

► Eligible investors and typical investor profile:

Eligible investors:

- Echiquier Global Convertibles: all investors
- Echiquier Global Convertibles I : Reserved for institutional investors

Typical investor profile:

The Fund is intended for individual or institutional investors who are aware of the risks inherent in holding units in a fund of this type, as this is a high-risk fund due to the exposure in global bond and equity markets.

ECHIQUIER GLOBAL CONVERTIBLES may be used for variable capital, unit-linked life insurance policies.

ECHIQUIER GLOBAL CONVERTIBLES may be used for investment in UCITS managed by LA FINANCIERE DE L'ECHIQUIER.

The Fund may invest in UCITS managed by LA FINANCIERE DE L'ECHIQUIER.

The appropriate amount to invest in ECHIQUIER GLOBAL CONVERTIBLES depends on the personal situation of the investor. In deciding how much to invest, investors should take into account their personal and any business assets, their cash requirements at the time and in three years, and their willingness or otherwise to take risks on the equity and bond markets. We also strongly advise investors to diversify their investments so that they are not wholly exposed to the Fund's risks.

Recommended investment term: more than three years

► Methods for determining and allocating distributable sums:

Net income allocation: accumulation. The asset management company has chosen the accumulation. The net income is fully capitalized on an annual basis.

Net gain realized allocation: accumulation. The asset management company has chosen the accumulation. Net gains realized are fully capitalized on an annual basis.

► Characteristics of the units: (currency, sub-divisions, etc.)

ECHIQUIER GLOBAL CONVERTIBLES is denominated in euro.

The initial value of an "Echiquier Global Convertibles" unit is fixed at 1000 euros

The initial value of the unit "Echiquier Global Convertibles I" is fixed at 100 euros

► Subscription and redemption procedures:

Subscriptions and redemptions are carried out in thousandths of units.

Subscription and redemption requests are centralised before midday on every stock market trading day by the custodian:

BNP PARIBAS SECURITIES SERVICES
Les Grands Moulins de Pantin
9, Rue du Débarcadère
93500 Pantin
France

and are executed on the basis of the next net asset value calculated using the closing price on the day the requests were centralised. Subscription and redemption requests arriving after midday are executed on the basis of the net asset value calculated after the one mentioned above.

The NAV is calculated daily, except for days when the Paris stock market is closed.

In accordance with article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the Fund, as well as the issue of new units, may be suspended by the management company temporarily in exceptional circumstances, when this is deemed necessary in the interests of the investors.

The net asset value is available on the management company's website (**Erreur ! Référence de lien hypertexte non valide.**)

► **Fees and charges:**

Fees paid by the investor on subscription or redemption	Calculation base	Rate	
Subscription fee not retained by the Fund	NAV × number of units	ECHIQUIER GLOBAL CONVERTIBLES unit	1%
		ECHIQUIER GLOBAL CONVERTIBLES I unit	None
Subscription fee retained by the Fund	None	None	
Redemption fee not retained by the Fund	NAV × number of units	None	
Redemption fee retained by the Fund	None	None	

Fees charged to the Fund		Calculation base	Rate	
1	Financial management fees	Net assets	ECHIQUIER GLOBAL CONVERTIBLES unit:	Maximum of 1.40%, inclusive of tax
	Administrative fees external to the asset management company		ECHIQUIER GLOBAL CONVERTIBLES I unit:	Maximum of 0.7%, inclusive of tax
2	Maximum indirect fees (management and commissions)	Net assets	(*)	
3	Transaction fees received by the management company	Payable on each transaction	None	
4	Performance fees	Net assets	None	

(*) The Fund may invest up to 10% of its assets in other UCIs if the management fees do not exceed 2.392%. For further information, please contact the management company.

Fund management contributions due according to article L. 621-5-3 d), 3°, II of the Financial and Monetary Code are charged to the fund.

III. Further information

For further information and documents relating to the Fund, please contact the management company directly:

LA FINANCIERE DE L'ECHIQUIER
53, avenue d'Iéna
75116 Paris
France
www.lfde.com

The net asset value is available on the management company's website (**Erreur ! Référence de lien hypertexte non valide.**)

Unitholders may obtain further information from the company's website (www.fin-echiquier.fr) on the incorporation of environmental, social and governance criteria into La Financière de l'Echiquier's investment policy.

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.

Investment restrictions

The units have not been, and will not be, registered under the US Securities Act of 1933 (hereinafter "the 1933 Act") or under any law applicable in a US state, and they cannot be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) or to any US Person, as defined by Regulation S of the 1933 Act adopted by the Securities and Exchange Commission (SEC), unless the units have been registered or an exemption was applied with the consent of the Fund's management company.

The Fund is not, and will not be, registered under the US Investment Company Act of 1940. Any sale or transfer of units in the United States of America or to a US Person may constitute a violation of US law and requires prior written consent from the Fund's management company. Persons wishing to purchase or subscribe for units will have to provide written certification stating that they are not US Persons.

The Fund's management company has the power to impose restrictions on the ownership of units by a US Person, and thus the power to conduct compulsory redemption of the units held, and on the transfer of units to a US Person. This power extends to any person who: (a) appears to be directly or indirectly in violation of the laws and regulations of any country or government authority; or (b) may, in the opinion of the Fund's management company, cause damage to the Fund that it would otherwise not have suffered.

The offering of units has not been authorised or rejected by the SEC, the specialist commission of a US state or any other US regulatory authority. Equally, said authorities have neither accepted nor dismissed the merits of this offering, nor the accuracy or suitability of documents relating to this offering. Any statement to the contrary is against the law.

Unitholders must immediately inform the Fund's management company if they become a US Person. Any unitholder who becomes a US Person will no longer be permitted to acquire new units and may at any time be required to relinquish his/her units to someone who is not a US Person. The management company reserves the right to order the compulsory purchase of any unit directly or indirectly held by a US Person, or any units held by a person in breach of the law or contrary to the interests of the Fund.

IV. Investment rules:

Regulatory investment ratios applicable to the Fund: The legal investment rules applicable to the Fund are those that govern UCITS investing less than 10% of their assets in other UCITS, as well as those applicable to the AMF's "DIVERSIFIE" classification. The Fund calculates overall risk using the commitment method.

V. Asset valuation and accounting rules:

The Fund complies with applicable accounting regulations, in particular with regard to UCITS. All the transferable securities in the portfolio have been recognised at historical cost, excluding fees. The portfolio is valued every time the net asset value is taken and as at the reporting date in accordance with:

Transferable securities traded on a regulated market

- Listed securities: at market value – including accrued coupons: closing price. Foreign prices are converted into euro using the exchange rates on the valuation date. Transferable securities whose price has not been established on the valuation date are valued at their most recent official price or at their probable market value as determined by the management company.

- UCITS: at the last known net asset value.

- Negotiable debt securities and swaps with a maturity of more than three months: at market value. If they have a life of three months, negotiable debt securities are accrued on a linear basis up to maturity. If they are purchased with maturity of less than three months, interest is accrued on a linear basis.

- Unlisted securities: at the discretion of the management company, taking into account the report on operations.

- Transactions involving the temporary purchase and sale of securities are measured using the terms and conditions set out in the contract. Some fixed-rate transactions with a maturity exceeding three months may be measured at market price.

Futures

French and European markets: price at closing on the valuation date.

Markets in the Americas: closing price on the previous day.

Japanese and other Asian markets: closing price on the previous day.

Commitments on conditional futures markets are calculated by converting options into their underlying equivalent value.

Commitments relating to swaps are measured at market value.

Forward currency agreements are measured at the currency closing price on the valuation date, taking into account the amortisation of swap points.

Process used to recognise interest

Interest on bonds and debt securities is recognised using the compound interest method.

Allocation of income

All revenue will be capitalised.

VI. Compensations:

The asset management company's compensation policy is fully compliant with a prudent and efficient risk management. It does not encourage taking risks which might be inconsistent with the risk profiles, regulation or constitutive UCITS documents managed by the asset management company.

The asset management company's compensation policy is fully compliant with the economic strategy, objectives, values and interests of the asset management company as well as UCITS managed by the same asset management company. The asset management company's compensation policy is also fully compliant with the economic strategy, objectives, values and interests of UCITS investors. This policy incorporates tailored measures to prevent potential conflicts of interests. The compensation policy has been set up in order to:

- Provide an active support to the asset management company's strategy and objectives
- Provide an active support to the asset management company's competitiveness on its operating markets
- Ensure the development, attractiveness as well as the retaining of highly skilled and motivated employees

The asset management company's employees perceive a compensation that includes a fixed remuneration as well as a variable remuneration. These two compensations are duly balanced and are subjected to a careful annual review based on both individual and collective performance.

The founding principles of the compensations policy are revised on a regular basis with regards to legislation changes. The compensation policy has been duly approved by the asset management company's Board of Directors.

Details regarding the compensation policy are available online on the following website: www.lfde.com. A written copy of the compensation policy is available on demand for free.



LA FINANCIERE DE L'ECHIQUIER

RULES FOR THE ECHIQUIER GLOBAL CONVERTIBLES MUTUAL FUND

TITLE 1 – ASSETS AND UNITS

Article 1 – Co-ownership units

The rights of the co-owners are expressed in units, with each unit representing the same fraction of the fund's assets. Each unitholder has a right of co-ownership of the fund's assets in proportion to the number of units held.

The duration of the fund is 99 years from the date of its creation, except in the event of its early dissolution or extension as provided for in these rules.

Unit classes:

The characteristics of the various unit classes and their access conditions are specified in the fund's prospectus. The various share classes may:

- Benefit from different methods of income distribution; (distribution or capitalisation)
- Be denominated in different currencies;
- Have different management fees;
- Have different subscription and redemption fees;
- Have a different nominal value;
- Include systematic total or partial risk hedging, as set out in the prospectus. Said hedging is provided by means of financial instruments, thus minimising the impact of hedging transactions on other unit classes in the fund;

Be restricted to one or more sales networks.

The fund has scope to amalgamate or divide its units.

The fund management company's board of directors may decide to divide the units into tenths, hundredths, thousandths or ten thousandths, known as fractions of units.

The rules governing the issue and redemption of units are applicable to fractions of units whose value will remain proportional to the value of the unit that they represent. All other rules pertaining to units apply to fractions of units without it being necessary to specify this, except where stipulated otherwise.

Lastly, the fund management company's board of directors may decide to divide units by creating new units that are allocated to unitholders in exchange for old units.

Article 2 – Minimum asset amount

No units may be redeemed if the assets of the fund (or a sub-fund) fall below EUR 300,000. If the assets remain below this threshold for thirty days, then the management company shall make the necessary provisions to wind up the fund in question, or to perform any of the operations referred to in Article 411-16 of the General Regulation of the AMF (fund transfers).

Article 3 – Issuance and redemption of units

Units may be issued at any moment at the request of unitholders, based on their net asset value plus subscription fees, where applicable.

Redemptions and subscriptions are executed according to the terms and conditions defined in the prospectus.

The mutual fund units may be listed on an official stock exchange according to prevailing regulations.

Subscriptions must be fully paid up on net asset value calculation day. They may be paid in cash and/or by transfer of financial instruments. The fund management company has the right to refuse the proposed securities and, to this effect, has a period of seven days from their submission to communicate its decision. In the event of acceptance, the proposed securities are valued according to the rules set out in Article 4 and the subscription is executed on the basis of the first net asset value following said acceptance.

Redemptions are paid solely in cash, except in the event of the fund's liquidation and where unitholders have indicated that they agree to be reimbursed in securities. Redemptions are settled by the issuance account holder within five days of the unit valuation.

In exceptional circumstances, however, if reimbursement requires assets included in the fund to be realised beforehand, this period may be extended to up to 30 days.

Except in the event of inheritance or an *inter vivos* gift, the sale or transfer of units between unitholders, or from unitholders to third parties, is treated as a redemption followed by a subscription; in the case of a third party, the amount of the sale or transfer must, where appropriate, be topped up by the beneficiary so as to attain at least the minimum subscription required by prospectus.

In application of Article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the fund of its units, as well as the issue of new units, may be temporarily suspended by the management company where required by exceptional circumstances and in the interests of the unitholders.

When the mutual fund's net assets are lower than the amount set out in the rules, the redemption of units is not permitted.

Possibility of minimum subscription conditions, as set out in the prospectus.

The fund may cease to issue shares, pursuant to paragraph two of Article L. 214-8-7 of the French Monetary and Financial Code, in objective situations entailing the closure of subscriptions, such as the issue of a maximum number of units or shares, a maximum amount of assets achieved or the expiry of a determined subscription period. Said objective situations are set out in the fund prospectus.

Article 4 – Calculation of net asset value

The net asset value of units is calculated by applying the valuation rules set out in the prospectus.

TITLE 2 – OPERATIONS OF THE FUND

Article 5 – Management company

The management company manages the fund in accordance with the objective defined for the fund.

The management company acts solely in the interest of the unit-holders at all times and is solely entitled to exercise the voting rights attaching to the securities held by the fund.

Article 5b – Operating rules

The instruments and deposits eligible for the fund's assets, together with the investment rules, are described in the prospectus.

Article 6 – Depository

The custodian carries out the missions entrusted to it, pursuant to the legal and regulatory provisions in force, as well as those contractually assigned to it. It must notably satisfy itself as to the legality of all the decisions taken by the portfolio management company. Where necessary, it must take whatever precautionary measures are required. In the event of a dispute with the management company, it shall inform the AMF.

Article 7 – Auditor

Subject to approval by the AMF, the fund management company's board of directors appoints an auditor for six financial years.

The auditor carries out the controls and preparatory work provided for by law. Upon each audit, it certifies the true and fair nature of the accounts and of the accounting material contained in the management report.

The auditor may have its mandate renewed.

The auditor must promptly notify the AMF of any information or decision relating to the undertaking for collective investment in financial instruments of which it became aware in the course of its duties, and which could:

- 1) Constitute a breach of the laws or regulations governing this undertaking, and which may significantly affect its financial position, results or assets and liabilities;
- 2) Adversely affect the operations or its ability to continue as a going concern;
- 3) Give rise to qualifications or a refusal to certify accounts.

The auditor shall supervise the valuation of assets and the calculation of exchange ratios for conversions, mergers or spin-offs.

The auditor shall assess all contributions in kind as part of its responsibilities.

It shall check the asset allocation and other items prior to publication.

The auditor's fees are agreed jointly with the board of directors or management board of the management company on the basis of an audit plan detailing the work deemed necessary.

The auditor shall certify the financial statements used to calculate interim dividends.

The auditor's fees are included in the management charges

Article 8 – The accounts and management report

At the end of each financial year, the fund management company prepares the summary accounting documents and a report on the management of the fund during that financial year.

The inventory is certified by the depository and all of the above documents are audited by the auditor.

The fund management company keeps these documents available to unitholders in the four months following the end of the financial year and informs them of the amount of revenues to which they are entitled. The documents are either sent by mail at the express demand of unitholders or made available at the fund management company's premises.

TITLE 3 – METHODS FOR APPROPRIATING INCOME

Article 9 – Procedures for allocating income and distributions

Net income for the financial year is equal to the amount of interests, arrears, dividends, premiums and bonuses, directors' fees and all proceeds relating to securities in the fund's portfolio, plus the proceeds of sums temporarily available and less management fees and borrowing costs.

The sums distributable are equal to

- The net income for the financial year, plus retained earnings and plus or minus the balance of revenue accrual accounts related to said financial year.
- The realized gains excluding fees minus realized capital losses excluding fees, observed throughout the fiscal year, plus same nature net gains observed throughout past fiscal years which were not subject to an accumulation and minus and plus the balance of gains accrual accounts

The asset management company decides for distributable sums allocation (incomes and realized net gains). Distributable sums are fully capitalized excluding those which are subject to a compulsory distribution in compliance with the law.

Title 4 - MERGERS - DEMERGERS – WINDING UP – LIQUIDATION

Article 10 - Mergers - Demergers

The management company may either contribute some or all the assets in the fund to another UCITS, or else split the fund into two or more other funds. Such mergers and demergers may only be carried out after serving the unit-holders notice. Such transactions entail issuance of a new attestation stipulating the number of units held by each unit-holder.

Article 11 – Dissolution – Extension

If the assets of the fund (or a compartment, where applicable) stand at less than the amount set in Article 2 above for thirty days, the management company shall notify the Autorité des Marchés Financiers and wind up the fund (or the compartment, where applicable), unless there is a merger with another fund).

The management company may wind up the fund (or a compartment, where applicable) early. It notifies the unit-holders of its decision and no longer accepts orders for subscriptions or redemptions as of that date.

The management company also winds up the fund (or a compartment, where applicable), if an order is received for the redemption of all the units, if the depositary stops performing its function and no other custodian has been named, or if the duration of the fund expires, unless it has been extended.

The management company notifies the Autorité des Marchés Financiers by letter of the winding up date and procedure chosen. It then sends the auditor's report to the Autorité des Marchés Financiers.

The management company may decide to extend the duration of a fund with the consent of the depositary. Its decision must be made at least three months before the scheduled duration of the fund expires and the unit-holders and Autorité des Marchés Financiers must be notified.

Article 12 – Liquidation

If the fund is wound up, the management company or the depositary acts as liquidator. Failing that, a court appoints a liquidator at the request of any interested party. For this purpose, they are vested with the most extensive powers to realise the assets, pay off any creditors and distribute the available balance to the unit-holders in cash or securities.

The auditor and the depositary continue to perform their functions until the end of the liquidation operations.

TITLE 5 - DISPUTES

Article 13 - Jurisdiction - Address for service

Any disputes relating to the fund that may arise during the term of the fund or upon its liquidation, either between unit-holders, or between unit-holders and the management company or the depositary, shall be subject to the jurisdiction of the competent courts.