



## ECHIQUIER ALLOCATION FLEXIBLE

Prospectus  
10/03/2021

UCITS compliant with European Directive 2009/65/EC



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# 1. General features

## 1.1 Form of the UCITS

### 1.1.1. Company name

Echiquier Allocation Flexible

### 1.1.2. Legal form and member state in which the UCITS was created

Fonds Commun de Placement (investment fund) under French law.

### 1.1.3. Inception date and expected lifetime:

The Fund was created on 25 September 2015 for a term of 99 years.

### 1.1.4. Fund overview

Unit(s)	Features				
	ISIN Code	Distributable sums allocation	Base currency	Target investors	Minimum subscription amount
Unit A	FR0012870657	Net income: Accumulation Realised net gains: Accumulation	Euro	Reserved for the management company on its own account or on behalf of third parties	None
Unit B	FR0013433505	Net income: Accumulation Realised net gains: Accumulation	Euro	All investors	None
Unit G	FR0012870673	Net income: Accumulation Realised net gains: Accumulation	Euro	Reserved for distribution by financial intermediaries (1)	None
Unit I	FR0012870681	Net income: Accumulation Realised net gains: Accumulation	Euro	Reserved for institutional investors	EUR 1,000,000 minimum (2)

(1) Subscription for this unit class is limited to investors subscribing through intermediaries providing an independent advisory service or discretionary investment management (including the management company within the limits of its "Sélection" offer) or multi-managers or distributors who:

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

(2) Except for the management company, which can subscribe for a single unit on its own behalf or on behalf of third parties.

### 1.1.5. Where to obtain the latest annual and interim reports

The latest annual and interim reports are available on the website [www.lfde.com](http://www.lfde.com) or may be sent to unitholders within eight business days on written request to:

LA FINANCIERE DE L'ECHIQUIER  
53 Avenue d'Iéna  
75116 Paris

If required, additional information may be obtained from the management company by telephoning +33 (0)1.47.23.90.90.

## 1.2 Parties involved

### 1.2.1. Management Company

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

LA FINANCIERE DE L'ECHIQUIER

53 Avenue d'Iéna

75116 Paris

### 1.2.2. Depositary and custodian

BNP PARIBAS SECURITIES SERVICES

S.C.A having its registered office at 3 Rue d'Antin, 75002 Paris

Postal address: Grands Moulins de Pantin, 9 Rue du Débarcadère, 93500 Pantin

BNP PARIBAS SECURITIES SERVICES (BP2S) is a licensed bank authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR). It is also the issuance account keeper (UCITS unitholders) and the centralising agent appointed to act on behalf of the Fund.

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

The Depositary exercises three types of responsibilities, namely the oversight of the management company (as defined in Article 22.3 of the UCITS V directive), the monitoring of the cash flows of the UCITS (as set out in Article 22.4) and the safekeeping of the UCITS assets (per Article 22.5). The overriding objective of the Depositary 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 Depositary. For example, BNP Paribas Securities Services SCA could, as well as acting as Depositary, also provide 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 Depositary 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 conflict of interest situations
  - by 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,
  - 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 Depositary, the list of delegates and subdelegates and any conflicts of interest that may arise from such a delegation:

The Depositary of the UCITS, BNP Paribas Securities Services SCA, is responsible for safekeeping of the assets (as defined in Article 22.5 of the directive cited above). 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 on the following site:

<https://securities.bnpparibas.com>

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.

Up-to-date information on the two previous points will be sent to the investor on request.

### 1.2.3. Statutory auditor

MAZARS

Represented by Gilles Dunand-Roux

Tour Exaltis

61 rue Henri Regnault

92400 Courbevoie

### 1.2.4. Distributor

LA FINANCIERE DE L'ECHIQUIER

53 Avenue d'Iéna

75116 Paris

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.

### 1.2.5. Delegates

Only the administrative and accounting management has been delegated to:

SOCIETE GENERALE

29 boulevard Haussmann – 75009 Paris

### 1.2.6. Advisers

None.

### 1.2.7. Centralising agent for subscription and redemption orders appointed by the management company

BNP Paribas Securities Services is responsible for receiving subscription and redemption orders.

## 2. Operating and management procedures

### 2.1 General features

#### 2.1.1. Characteristics of units

- Unit A ISIN code: FR0012870657
- Unit B ISIN code: FR0013433505
- Unit G ISIN code: FR0012870673
- Unit I ISIN code: FR0012870681

**Nature of right attached to the unit class:** Each unitholder has a co-ownership right to the fund's assets in proportion to the number of units held.

**Liability accounting:** Liability accounting is performed by the depositary, 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.

**Form of the units:** Bearer units.

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

#### 2.1.2. Year-end

The last trading day of the Paris stock market in December each year. The first financial year-end is the last stock market trading day in December 2016.

#### 2.1.3. 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 tax implications will vary depending on the laws and practices in force in the unitholder's country of residence, domicile, or incorporation and on the unitholder's individual circumstances.

Depending on your tax status, country of residence or the jurisdiction from which you invest in this Fund, any capital gains and income resulting from the holding of units of the Fund may be subject to tax. 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 4 classes of accumulation units. Investors 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 investors are set by the French General Tax Code.

In general, investors 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), investors may be required to provide the UCI, 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 investors 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, investors are asked to ensure that the financial intermediary they have used to invest in the Fund has "Participating FFI" status. For more information, investors should contact a tax adviser.

## 2.2 Specific features

### 2.2.1. Investment objective

Investment objective for unit A:

Echiquier Allocation Flexible is a fund that seeks to deliver a performance net of management fees equal to EONIA Capitalised + 5.5% over the recommended investment period through discretionary and opportunistic management, particularly on the fixed income, equity, credit and currency markets.

Investment objective for unit B:

Echiquier Allocation Flexible is a fund that seeks to deliver a performance net of management fees equal to EONIA Capitalised + 5% over the recommended investment period through discretionary and opportunistic management, particularly on the fixed income, equity, credit and currency markets.

Investment objective for unit G:

Echiquier Allocation Flexible is a fund that seeks to deliver a performance net of management fees equal to EONIA Capitalised + 5.9% over the recommended investment period through discretionary and opportunistic management, particularly on the fixed income, equity, credit and currency markets.

Investment objective for unit I:

Echiquier Allocation Flexible is a fund that seeks to deliver a performance net of management fees equal to EONIA Capitalised + 6.1% over the recommended investment period through discretionary and opportunistic management, particularly on the fixed income, equity, credit and currency markets.

### 2.2.2. Benchmark

Due to its investment objective and the strategy pursued, no relevant benchmark can be indicated.

The fund's management company will manage the fund's exposure flexibly, in particular to fixed income and equity markets, and reserves the right to lower exposure to equity markets by up to 0% in favour of exposure to other markets, in particular the fixed income market. As a result, the fund's exposure to the various fixed income markets may vary significantly over time, making it difficult to compare it with an ineffective fixed benchmark.

However, the capitalised Eonia index +5.5% for unit A, capitalised Eonia +5% for unit B, capitalised Eonia +5.9% for unit G and capitalised Eonia +6.1% for unit I may illustrate the fund's performance objective.

The benchmark is the Capitalised EONIA (Bloomberg code: EONCAPL7).

The EONIA is a daily rate representative of the rate at which credit institutions in the European Union and the EFTA lend each other funds in euros on the interbank money market.

Since 2 October 2019, the "recalibrated" EONIA is calculated using the €ster (Euro Short Term Rate), published by the European Central Bank, plus 8.5 basis points.

The administrator of the EONIA is the European Money Markets Institute.

It is included in the register of administrators and benchmarks kept by the ESMA.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the management company has a procedure for monitoring the benchmark indices used, describing the measures to be implemented in the event of substantial changes to an index or should that index no longer be provided.

Investors are advised that the portfolio's composition may differ from that of the benchmark index.

### 2.2.3. Investment strategy

#### 1. Strategies used

The strategy of the fund complies with the provisions of Article 6 of the SFDR. Given the possibility of having UCIs up to 100% of assets, during the selection of underlying funds the management company analyses the extra-financial approach implemented by the management companies of the said funds without however this being binding.

Echiquier Allocation Flexible implements an active and discretionary management.

Its strategy is based on the combination of two approaches:

- **Asset allocation**, which is done monthly and at a minimum on a quarterly basis. Asset and risk allocation is actively managed according to the management team's expectations of various market developments. The resulting decisions are based on a process that combines economic, fundamental and quantitative factors. The aim of this process is therefore to determine portfolio weightings and exposure within the major classes of global liquid assets (equities, sovereign bonds, credit, forex and commodities, alternative strategies or arbitrage and money market instruments) included in the Fund's strategy.
- **A rigorous instrument selection process.**
  - Investments are mainly made through subscriptions to funds, in particular. The managers select the UCIs based on a comprehensive analysis of their investment process and risk. Selection is thus made through a combination of a quantitative approach (for judging the performance and regularity of the UCI) and a qualitative approach (analysis of fundamental criteria such as the management process, the risk monitoring system, etc.).
  - Investments may also be made through index tracker funds or ETFs and derivative instruments, mainly to obtain exposure to regions or sectors requiring particular expertise (arbitrage, funds exposed to commodities). The manager may use forward financial instruments on equities or indices, currencies, medium- and long-term fixed income products or money market instruments. Other financial instruments are used in order to meet objectives relating to liquidity management, risk diversification, hedging or exposure.
  - Lastly, the manager will be able to invest directly in live securities (equities and bonds) via a selection process by

implementing a fundamental analysis process for each company.

Exposure to equities (through equities, UCIs or derivatives) will be at most 80% of net assets with a maximum of 30% exposure to emerging countries and 30% to small caps (< €1 billion).

Exposure to fixed income products (through live securities, UCIs or derivatives) may be up to 100% of net assets, with the portfolio's sensitivity to interest rate risk within a range of [-3; +8].

Managers may generate exposure to currency risk, depending on their global macroeconomic analysis.

Exposure to commodities will remain ancillary.

## 2. Assets used (excluding derivatives)

### a) Equities:

The Echiquier Allocation Flexible Fund may be invested in European and international equities from all sectors and all cap sizes within the exposure limits set for emerging countries (maximum 30% of net exposure assets) and in equities with a capitalisation of less than €1 billion (maximum 30% of net asset exposure).

### b) Debt securities and money market instruments:

The Echiquier Allocation Flexible fund may invest up to 90% of its net assets in bonds, negotiable debt securities and money market instruments.

In this regard, particular attention will be paid to the credit quality of the companies or governments that issue these securities. The bonds selected will be mainly investment grade, i.e. with a minimum rating of BBB- from Standard & Poor's or equivalent, or considered as such by the management team.

The selection of securities is not based mechanically and exclusively on the rating criterion and relies on an in-house credit risk analysis.

No limits have been set for the proportion of bonds of sovereign and private issuers in the portfolio.

No constraints have been imposed on the portfolio's duration or the geographical location of investments.

Prior to purchase and for monitoring purposes over the life of securities, the credit risk is assessed on the basis of research and analysis carried out in-house by La Financière de l'Echiquier and using the ratings produced by the rating agencies.

The ratings mentioned above are those used by the Fund manager at the time of the initial investment. If a rating is downgraded over the life of an investment, the manager will conduct 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 the securities of other undertakings for collective investment

The fund may invest up to 100% of its assets in securities of other French and/or European UCITS and in retail investment funds. These concern UCIs of any AMF classification and any strategy related to the management objective. The fund may invest in UCIs managed by La Financière de l'Echiquier or its related companies.

## 4. Derivatives

The Fund invests in forward financial instruments traded on regulated European and international markets, on unregulated markets and/or over-the-counter. In this context, the Fund may take positions:

- to hedge the portfolio against equity market risk, interest rate risk and currency risk.
- to generate exposure to equity market risk, interest rate risk and currency risk, in accordance with the investment objective.

The instruments used are:

- index futures (equities, fixed-income, forex);
- options on securities and indices (equities, fixed-income and forex); currency options;
- and forex forwards

These transactions will be carried out within the limit of 100% of the Fund's 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

As the Fund may invest in equities, it is likely to hold securities with embedded derivatives as a result of corporate actions.

The manager may invest in securities with embedded derivatives (warrants, subscription certificates, convertible bonds, etc.) traded on regulated markets or over-the-counter. The fund is not allowed to invest in contingent convertible bonds.

No rating restrictions apply to convertible bonds.

In this context, the manager may take positions to hedge and/or expose the portfolio to business sectors, geographical areas, interest rates, equities (small, mid or large cap stocks), currencies, securities and similar transferable securities or indices in order to achieve the investment objective.

The use of embedded derivatives, as opposed to the other derivative instruments listed above, will mainly be as a result of the manager 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.

## 6. Deposits

None

## 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. Securities financing transactions

None

### 2.2.4. 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.*

#### Risk of capital loss:

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

#### Equity risk:

If the equities or indices to which the Fund portfolio is exposed should fall, the Fund's net asset value could also fall.

#### Risk related to discretionary management:

The discretionary management style applied to the Fund is based on the selection of stocks. There is a risk that Fund 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.

#### Interest rate risk:

The Fund's net asset value may fall if interest rates rise.

#### Credit risk:

Credit risk is the risk of a private issuer's credit rating being downgraded or of its defaulting. The value of debt securities or bonds in which the Fund invests may fall, causing the Fund's net asset value to decline.

#### Currency risk:

This is the risk of a fall in the investment currencies relative to the euro, the portfolio's reference currency. Should any of these currencies weaken against the euro, the net asset value may decline.

#### Risks associated with investing in emerging countries:

There is a risk associated with investments in emerging countries, mainly in relation to the operating and supervision conditions of these markets, which may deviate from the standards prevailing on the large international markets, or arising from political or regulatory factors. Market fluctuations (up or down) may be sharper and more sudden than on the major international stock exchanges. The UCI's net asset value may therefore have the same behaviour.

#### "High Yield" speculative securities risk:

Speculative securities have a higher default risk than Investment Grade securities. In the event of a fall in those securities, the net

asset value may fall. In addition, as these types of instruments may be traded in low volumes, market movements may therefore be more pronounced, whether upward or downward.

#### Risk relating to commodities:

An unfavourable trend on these markets could negatively impact the fund's net asset value.

#### Risk associated with the investment strategy:

- **Risk associated with the use of derivatives:** The Fund may use forward financial instruments. The change in the underlying security of a derivative may therefore be accentuated and have a more significant impact on the net asset value.
- **Counterparty risk:** In the event of the default of a counterparty used by the Fund, the counterparty would no longer be able to honour the commitments undertaken with the Fund in relation to assets, securities or cash; such events could have a negative impact on the Fund's net asset value.

#### Sustainability risk or risk linked to sustainable investment

Any event or situation in the environmental, social or sustainable governance field (e.g. climate change, health and safety, companies that do not comply with regulations, such as serious criminal sanctions, etc.) that, if it occurs, could have an actual or potential negative impact on the value of the investment. The occurrence of such an event or situation could also lead to a change in the investment strategy of the UCITS, including the exclusion of the securities of some issuers. More specifically, the negative effects of sustainability risks could affect issuers via a series of mechanisms, especially: 1) lower revenues; 2) increased costs; 3) damages or depreciation in asset value; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific subjects such as climate change, the probability that sustainability risks would have an impact on returns on financial products is likely to increase over the longer term.

### 2.2.5. Eligible investors and typical investor profile

#### Target investors:

- Unit A: Reserved for the management company on its own account or on behalf of third parties
- Unit B: All investors
- Unit G: Reserved for distribution by financial intermediaries
- Unit I: Reserved for institutional investors

#### Typical investor profile:

The fund is intended for investors seeking to delegate their allocation choices in terms of asset classes and geographical regions.

Echiquier Allocation Flexible may be used for variable capital, unit-linked life insurance policies.

Echiquier Allocation Flexible may be used for investment in UCITS managed by LA FINANCIERE DE L'ECHIQUIER.

The appropriate amount to invest in Echiquier Allocation Flexible depends on the personal situation of the investor. In deciding

how much to invest, unitholders 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 markets. We also strongly advise

investors to diversify their investments so that they are not wholly exposed to the Fund's risks.

**2.2.6. *Recommended investment duration***

More than 3 years.

### 2.2.7. Methods for determining and appropriating distributable sums

Unit(s)	Allocation of net income	Allocation of realised net gains
Unit A	Accumulation	Accumulation
Unit B	Accumulation	Accumulation
Unit G	Accumulation	Accumulation
Unit I	Accumulation	Accumulation

### 2.2.8. Characteristics of the units (currency, sub-divisions, etc.)

Units I, G, A and B are denominated in euros and sub-divided into thousandths.

The initial value of Unit I is fixed at 1,000 euros.

The initial value of Unit G is fixed at 100 euros.

The initial value of Unit A is fixed at 100 euros.

The initial value of Unit B is fixed at 100 euros.

### 2.2.9. Subscription and redemption procedures

Subscriptions and redemptions are carried out in thousandths of units.

The minimum initial subscription amount for Unit I is 1,000,000 euros, with the exception of the management company, which may subscribe for only one unit. Subsequent subscriptions may be carried out in thousandths of units.

Subscription and redemption requests are centralised before 12 p.m. on every trading day (Paris time) by the depositary:

#### BNP PARIBAS SECURITIES SERVICES

S.C.A having its registered office at 3 Rue d'Antin, 75002 Paris

Postal address: Grands Moulins de Pantin, 9 Rue du Débarcadère, 93500 Pantin

In accordance with the table below, orders are executed based on the net asset value on the day after centralisation (D) calculated on D+1, with settlement and delivery occurring on D+3.

In some countries, subscriptions may be carried out according to procedures other than a single, one-off subscription. For Italy, details of the subscription procedures are provided on the subscription form.

The net asset value is calculated daily, except for days when the Paris stock market is closed and on official French public holidays.

J-1	D: Date of establishment of the net asset value	D+1 working day	D+3 working days
Centralisation before 12 p.m. of subscription and redemption orders	Execution of the order at the latest during D	Calculation and publication of the net asset value	Payment for subscriptions and redemptions

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, if, under exceptional circumstances it is deemed in the interest of the unitholders, the Fund's redemption of units and its issue of new units may be temporarily suspended by the management company.

The net asset value is available upon request from the management company on +33 (0)1.47.23.90.90 or on its website ([www.lfde.com](http://www.lfde.com)).

### 2.2.10. Fees and charges

Fees charged to the investor, deducted upon subscription and redemption	Basis	Rate
Subscription fee not retained by the UCITS	Net asset value x number of units	Maximum of 3.00%
Subscription fee retained by the UCITS	Net asset value x number of units	None
Redemption fee not retained by the UCITS	Net asset value x number of units	None
Redemption fee retained by the UCITS	Net asset value x number of units	None

Fees charged to the UCITS	Basis		Rate
1 Financial management costs Administrative fees external to the management company	Net assets	Unit A	Maximum of 1.50% incl. tax
		Unit B	Maximum of 2.00 % incl. tax
		Unit G	Maximum of 1.10 % incl. tax
		Unit I	Maximum of 0.90 % incl. tax
2 Maximum indirect fees (fees and management costs)	Net assets	The mutual fund undertakes to subscribe only to UCIs whose financial management fees and administrative expenses external to the management company are less than 2.40% including tax per annum of the net assets and whose variable management fees (outperformance fee) do not exceed 25% including the outperformance tax*	
3 Transaction fees received by the management company	Payable on each transaction or operation		None
4 Performance fee	Net assets	Unit A	None
		Unit B	None
		Unit G	None
		Unit I	None

(\*) The fund may invest up to 100% of its assets in other UCIs. 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.

In addition to the fees set out above, other fees may be borne by the Fund in certain circumstances, such as extraordinary and non-recurring costs relating to debt recovery or proceedings to assert a right, provided that these fees are consistently lower than the amounts recovered.

### 2.2.11. Intermediary selection policy

Intermediaries and counterparties are selected from a predefined list by means of a competitive process. The list is established based on selection criteria specified in the policy for selection of market intermediaries available on the management company's website.

### 3. Commercial 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

[www.lfde.com](http://www.lfde.com)

The Fund's net asset value may be obtained from the management company on request.

Unitholders may obtain further information from the company's website ([www.lfde.com](http://www.lfde.com)) on the incorporation of environmental, social and governance criteria into La Financière de l'Échiquier's investment policy.

Professional investors subject to prudential requirements (Solvency II) may ask the management company for funds' asset portfolios. Communication of such information shall be managed in accordance with the provisions defined by the AMF. For further information, unitholders can contact the management company.

#### 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.

### 4. Investment rules

**Regulatory investment ratios applicable to the UCITS:** The legal investment rules applicable to the Fund are those that govern UCITS under Directive 2009/65/EC which invest more than 10% of their assets in other UCIs.

### 5. Overall risk

The UCI calculates overall risk using the commitment method.

## 6. Asset valuation and accounting rules

### 6.1 Valuation rules

#### a) Valuation method

- Financial instruments and securities traded on a regulated market are valued at their market price.

However, the instruments listed below are valued using the following methods:

- European bonds and equities are valued at their closing price, and foreign securities are valued at their last known price.
- Negotiable debt securities and similar instruments that are not traded in large volumes are valued by applying an actuarial method using the rate for issues of equivalent securities, plus or minus, if required, a differential reflecting the issuer's specific characteristics. However, negotiable debt securities with low sensitivity and a residual maturity of three (3) months or less may be valued on a straight-line basis.
- Negotiable debt securities with a residual life of less than three months are valued at their market rate at time of purchase. Any discount or premium is amortised on a straight-line basis over the life of the instrument.
- Negotiable debt securities with a residual life of more than three months are valued at their market price.
- UCI units or shares are valued at the last known net asset value.
- Securities subject to repurchase agreements are valued according to the rules applicable under the terms of the original contract.
- Financial instruments that are not traded on a regulated market are valued under the responsibility of the management company at their likely trading value.
- Warrants or subscription certificates distributed free of charge with private placements or capital increases will be valued as of their listing on a regulated market or the formation of an OTC market.
- Contracts:
  - Futures are valued at their settlement price and options are valued based on the underlying.
  - The market value for futures is the price in euro multiplied by the number of contracts.
  - The market value for options is equal to the conversion value of the underlying.
  - Interest rate swaps are valued at market value based on the terms of the contract. Off-balance sheet transactions are valued at their market value.
- Financial instruments whose price has not been established on the valuation date or whose price was corrected are valued at their probable market value as determined by the board of directors of the management company. The auditors are provided with these valuations and the basis therefore in the course of their audit.

#### b) Practical details

- Equities and bonds are valued using prices extracted from the Finalim and Bloomberg databases, depending on where they are listed. The research options are supplemented by data from Telekurs (Fin'xs) and Reuters (Securities 3000):
  - Asia-Oceania: : extraction at 12 p.m. for a listing at the closing price for that day.
  - North America: : extraction at 9 a.m. for a listing at the closing price for the previous day. extraction at 4:45 p.m. for a listing at the opening price for that day.
  - Europe (except France): : extraction at 19:30 p.m. for a listing at the closing price for that day. extraction at 2:30 p.m. for a listing at the opening price for that day. extraction at 9 a.m. for a listing at the closing price for the previous day.
  - France: : extraction at 12 p.m. and 4 p.m. for a listing at the opening price for that day. extraction at 17:40 p.m. for a listing at the closing price for that day.
  - Contributors: : extraction at 2 p.m. for a listing based on price availability.
- Positions on futures markets on each NAV calculation day are valued at the settlement price for that day.
- Positions on options markets on each NAV calculation day are valued using the principles applied to their underlying.
  - Asia-Oceania: extraction at midday
  - North America: extraction D+1 at 9 a.m. Europe (except France): extraction à 7.30 p.m. France: extraction at 6 p.m.

#### 6.2 Accounting method

- The accounting method used for recording income from financial instruments is the "coupons received" method.
- The accounting method for recording transaction fees excludes expenses.

## 7. Compensation

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. This policy incorporates tailored measures to prevent potential conflicts of interests. The compensation policy has been set up in order to:

- provide active support to the asset management company's strategy and objectives;
- support the asset management company's competitiveness on its operating markets;
- ensure the attractiveness, development 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 compensation policy are revised on a regular basis according to regulatory 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](http://www.lfde.com).

## 8. Payment

### SECTION I - ASSETS AND UNITS

#### Article 1 - Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same proportion of the Fund's net assets. Each unitholder has co-ownership rights on the Fund's net assets in proportion to the number of units held.

The term of the Fund is 99 years from its inception date, unless it is dissolved early or extended as provided for in these regulations.

Category of units:

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

- have different income allocation rules (distribution or accumulation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different nominal value;
- be systematically hedged (fully or partially) as specified in the prospectus. This hedging is achieved using financial instruments that minimise the impact of hedging transactions on the UCITS's other unit classes;
- be restricted to one or more marketing networks.

The Fund's units may be merged or split.

The Board of Directors of the management company may decide to divide the units into tenths, hundredths, thousandths or tens of thousandths, which are referred to as "fractional units".

The provisions of the rules governing the issue and redemption of units apply to the fractional units whose value is always proportional to that of the unit they represent. All other provisions of the rules relating to the units automatically apply to the fractional units, unless stated otherwise.

Lastly, the Board of Directors of the management company may, entirely at its own discretion, divide the units by creating new units which are allocated to unitholders in exchange for their existing units.

#### Article 2 - Minimum net asset value

Units may not be redeemed if the assets of the Fund (or one of its subfunds) fall below EUR 300,000; if the assets remain below this amount for 30 days, the management company will take all the necessary steps to carry out the liquidation of the Fund concerned or one of the operations mentioned in article 411-16 of the AMF general regulations (transfer of the Fund).

#### Article 3 - Issue and redemption of units

Units are issued at any time at the request of unitholders based on the net asset value, plus subscription fees if applicable.

Redemptions and subscriptions are carried out in accordance with the terms and conditions stipulated in the prospectus.

The units in the Fund may be listed on the stock market in accordance with current regulations.

Subscriptions must be paid for in full on the net asset value calculation date. Units may be paid for in cash and/or through a contribution of financial instruments. The management company has the right to refuse the securities offered, and in this regard, has seven days starting from the day of the deposit of such securities to communicate its decision. If accepted, the securities contributed will be valued according to the rules stipulated in Article 4, and the subscription will be processed on the basis of the first net asset value calculated following acceptance of the securities concerned.

Redemptions will be carried out solely in cash, except in the case of the Fund's liquidation when the unitholders have indicated that they agree to a reimbursement in securities. Payment must be made by the holder of the issuer account within a maximum period of five days following the deadline for valuation of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended by a maximum of 30 days.

Except in the case of an inheritance or inter vivos gift, the sale or transfer of units between unitholders, or between a unitholder and a third party, is deemed to constitute a redemption followed by a subscription. If a third party is involved, the amount of the sale or transfer must, if necessary, be supplemented by the beneficiary to reach the minimum subscription amount required by the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, if, under exceptional circumstances it is deemed in the interest of the unitholders, the Fund's redemption of units and its issue of new units may be temporarily suspended by the management company.

If the value of the Fund's net assets falls below the amount stipulated in the regulations, no units can be redeemed. Possibility of minimum subscription conditions, according to the terms set out in the prospectus.

The UCITS may stop issuing units in accordance with paragraph 3 of article L. 214-8-7 of the French Monetary and Financial Code, temporarily or permanently, partially or totally, in certain objectively verifiable situations entailing the closure of subscriptions, for example, the maximum number of units or shares has been issued, the maximum amount of assets has been reached or a specific subscription period has expired. Activation of this tool will be notified to existing holders by any means, along with the threshold and the objective situation that led to the partial or total closure decision. In the case of a partial

closure, that notification will specifically state the terms according to which existing holders may continue to subscribe for the duration of the partial closure. Unitholders are also informed by any means of the decision by the UCITS or the management company to either terminate the total or partial closure of subscriptions (once they have passed below the activation threshold) or not to put end them (in the event of a change of threshold or a change in the objective situation leading to activation of that tool). Any change in the objective situation invoked or the tool's activation threshold must always be made in the interests of unitholders. The notification must specify the exact reasons for such changes.

#### **Article 4 – Calculation of the net asset value**

The net asset value per unit is calculated in accordance with the valuation rules set out in the prospectus.

## **SECTION II - OPERATION OF THE FUND**

### **Article 5 - Management company**

The management of the Fund is carried out by the management company in accordance with the guidelines specified for the Fund.

The management company must act in the sole interest of the unitholders at all times, and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

#### **Article 5 bis - Operational rules**

The instruments and deposits that may be included in the Fund's assets, together with the applicable investment rules, are described in the prospectus.

### **Article 6 - Custodian**

The custodian carries out the tasks that are its responsibility under the laws and regulations in force, as well as those that have been contractually assigned to it by the management company. In particular, it must ensure that the portfolio management company's decisions comply with the applicable rules and regulations. It must, as needed, take all of the protective measures it deems appropriate. In the event of a dispute with the management company, it must inform the AMF.

### **Article 7 - Auditor**

An auditor is appointed for a term of six years by the executive body of the management company, subject to approval by the AMF.

The auditor certifies that the financial statements reflect a true and fair view of the Company's position. The auditor's term of office may be renewed.

It is the responsibility of the auditor to notify the AMF at the earliest opportunity of any fact or decision concerning the Fund that comes to his/her attention in the course of the audit that would:

- 1) constitute a breach of the laws or regulations applicable to the Fund and could have a significant impact on its financial position, performance or assets;
- 2) affect the conditions or continuation of its operation;
- 3) lead to the issuance of reservations or a refusal to certify the financial statements.

The valuations of assets and determination of exchange ratios in any transaction involving a conversion, merger or split must be carried out under the supervision of the auditor.

The auditor is required to evaluate any contribution in kind under its responsibility.

The auditor must verify the composition of the assets and other information prior to publication.

The auditor's fees are to be decided by mutual agreement between the auditor and the Board of Directors or the Management Board of the management company according to the programme of work, specifying the audits deemed necessary.

The auditor is required to verify the financial positions serving as a basis for interim payments. The auditor's fees are included in the management fees.

### **Article 8 - Financial statements and management report**

At the end of each financial year, the management company draws up the summary documents and a management report on the Fund for the previous year.

The Management Company shall produce a list of the UCI's assets at least twice a year under the supervision of the depositary. All of the above-mentioned documents are audited by the auditor.

The Management Company shall make these documents available to unit holders no later than four months after the financial year-end and shall notify them of the amount of income to which they are entitled. These documents shall either be sent by post at the shareholders' express request or be made available to them at the offices of the Management Company.

## SECTION III - CONDITIONS FOR ALLOCATING DISTRIBUTABLE FUNDS

### Article 9: Procedures for the allocation of distributable income

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:

- 1) 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;
- 2) 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.

Distributable sums are fully capitalized excluding those which are subject to a compulsory distribution in compliance with the law.

## SECTION IV - MERGER - SPLIT - DISSOLUTION - LIQUIDATION

### Article 10 - Merger - Split

The management company may either invest all or part of the Fund's assets in another UCITS, or split the Fund into two or more mutual funds.

Any such merger or split operations may only be carried out after a minimum of one month following notification of the proposed operation to the unitholders. Each unitholder will then be sent a new certificate specifying the number of units held.

### Article 11 - Dissolution - Extension

If the Fund's net assets remain below the amount specified in Article 2 above for thirty days, the management company must inform the AMF, and unless the Fund is merged with another UCI, it must dissolve the Fund. The management company may decide upon the early dissolution of the Fund.

In this event, it must inform unitholders of its decision and, as from that date, requests for subscription or redemption will no longer be accepted.

The management company will also dissolve the Fund if it receives a request for the redemption of all the Fund's units, if the custodian is no longer in place and no other custodian has been appointed, or upon expiry of the Fund's term, if no extension has been agreed.

The management company must inform the AMF by post of the date on which the Fund is to be dissolved and of the procedure adopted. It must then submit the auditor's report to the AMF.

The management company may decide to extend the term of the Fund in agreement with the custodian. Any decision to extend the term of the Fund must be taken at least three months prior to its expiry date and notified to unitholders and to the AMF.

### Article 12 - Liquidation

In the event of liquidation, the management company or custodian assumes the role of liquidator, or otherwise, the liquidator is appointed by a legal process on the request of any interested person. To this end, the custodian or the management company will have extensive powers to liquidate the assets, pay any creditors and distribute the available balance among the unitholders in cash or in securities.

The auditor and the custodian will continue to perform their duties until the liquidation process is completed.

## SECTION V - DISPUTES

### Article 13 - Competent authority - Election of domicile

Any disputes relating to the Fund that may arise while the Fund is operational or upon its liquidation, either between the unitholders, or between the unitholders and the management company or the custodian, will be subject to the jurisdiction of the competent courts.