

Echiquier Patrimoine

FR0010434019 – FR0013286622 – FR0013286648

Dear Sir/Madam,

As you hold shares in the Echiquier Patrimoine fund – a sub-fund of the Echiquier SICAV fund governed by French law – which is managed by La Financière de l'Échiquier –

we are writing to tell you about some forthcoming changes to the management process. While some amendments need to be made to the fund's regulatory documentation (see below), we have also decided to modify the fee structure for the class A shares of this sub-fund.

1. The changes

For more than 25 years now, Echiquier Patrimoine has been offering a diversified investment solution, as part of the LFDE range. While the fund's DNA has remained unaltered, the economic and financial environment has evolved considerably since the early 1990s. Central bank key interest rates have converged towards 0%, or even fallen into negative territory on occasion. At the same time, the corporate bond and equity markets have attained an increasing level of depth and maturity.

The changes that LFDE plans to make to the management of Echiquier Patrimoine are designed to take advantage of these developments. In order to keep volatility low, the equity component will be reduced to a maximum of 25% of net assets, with greater diversification across sectors and regions. The fixed income component, meanwhile, will undergo a reorganisation. This component previously included a significant quantity of commercial paper, some of which will be switched into corporate bonds. This will reduce the concentration of positions and increase diversification, while improving the fund's actuarial return.

Some amendments to the regulatory documentation are therefore necessitated by these changes, and although the overall strategy of the fund will remain largely unaltered, a new benchmark index has been selected that better reflects the strategy implemented.

In addition, we are adopting a new fee structure for class A shares, with lower fixed management fees and the introduction of a performance fee.

The Autorité des Marchés Financiers (French Financial Market Regulator) approved the new fee structure on 03/05/2021.

These changes to the management process will take effect on 31 May 2021, and do not require any action on your part.

If you prefer, however, you may redeem your investment in the Echiquier Patrimoine sub-fund free of charge until 1 June 2021.

2. The changes - in detail

• Risk profile

Change to risk/reward profile: YES

Increase in risk/reward profile: NO

The amendments to the prospectus concerning the financial instruments used are shown in the table below.

	Current version	From 31 May 2021
Investment in equities	< 35%	< 25%
Equity exposure	< 35%	< 25%
Region of equity issuer	European equities (European Union and European Free Trade Association) + 10% (maximum) non-European OECD equities	European equities (European Union and European Free Trade Association) +15% (maximum) non-EU/non-EFTA equities, including from emerging countries
	Current version	From 31 May 2021
Investment in debt securities and money market instruments	> 50%	> 60%
Debt securities, maturity < 2 years (for cash management)	Europe region: European Union and European Free Trade Association	Europe region: European Union and European Free Trade Association and the UK
Debt securities, maturity < 2 years (for cash management)	Investment grade rating + 30% maximum unrated or high yield securities (limited to 20% of net assets)	Investment grade rating + 10% maximum unrated or high yield securities
Fixed income securities	Europe region: European equities (European Union and European Free Trade Association) +10% (maximum) non-European equities (OECD or emerging countries)	Europe region: European Union and European Free Trade Association and the UK +10% (maximum) non-EU/non-EFTA country equities, including from emerging countries
Fixed income securities	Investment grade rating + 10% maximum unrated or high yield securities	Investment grade rating + 15% maximum unrated or high yield securities

The fund's SRRI (synthetic risk and reward indicator), remains unchanged (as shown in the Key Investor Information Document).

However, a new investment objective and benchmark index will be adopted as from 25 May 2021:

CURRENT VERSION

Investment objective: The ECHIQUIER PATRIMOINE sub-fund aims to generate the steadiest possible capital growth by investing in the fixed income and equity markets.

Benchmark: Eonia TR

NEW VERSION

Investment objective: *The ECHIQUIER PATRIMOINE sub-fund aims to outperform its benchmark index, net of fees.*

Benchmark index: 12.5% MSCI Europe + 67.5% Iboxx 1-3 yr + 20% €STER

• **Increase in fees: YES - for class A shares only**

The fixed management fee will be reduced from 1.196% to 1% incl. tax, on class A shares only. In addition, a performance fee of 15% will apply to the positive difference between the performance of the sub-fund (net of fixed management fees) and that of the composite index.

While the changes will reduce ongoing fees, there may not be a reduction in the total amount of fees applied. This means that, in the event of significant outperformance, the reduction in fixed fees may not be sufficient to offset the full amount of the performance fee.

The introduction of the performance fee will take effect on 1 July 2021.

The table below shows the current management fee and the new fee structure:

	Current version	From 31 May 2021
Management fees	1,196%	1%
Performance fee	N/A	15% (incl. tax) of any fund outperformance, i.e. the positive difference between the performance of the fund and the benchmark index, net of fixed management fees

3. Essential points that investors should remember

We would like to remind you of the importance of reading the Key Investor Information Document (KIID) for the Echiquier Patrimoine fund, which is available at (www.lfde.com).

If you are happy with the changes described above, you do not need to do anything. If you prefer, however, you can redeem your investment in the Echiquier Patrimoine sub-fund free of charge until 1 June 2021.

We strongly recommend that you contact your financial adviser if you have any questions relating to your investments or the changes outlined above.

Yours faithfully,

The Senior Management - La Financière de l'Echiquier