

## ECHIQUIER QME

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Dear Sir/Madam,

Thank you for the confidence you have placed in us by holding shares in ECHIQUIER QME, a sub-fund of SICAV ECHIQUIER, a French UCITS managed by La Financière de l'Échiquier.

### What changes are being made to the fund?

We would like to inform you of a forthcoming change to the Echiquier QME investment strategy. The investment universe for this sub-fund is being expanded for diversification purposes to include commodities, since the commodity markets typically have a low correlation with the financial markets.

This has been made possible by a change in the financial instruments used to manage the fund, in particular a Total Return Swap, with the aim of reproducing the performance of a diversified underlying index in order to expose the sub-fund to a broader range of asset classes. This change will result in an increase in the fund's risk profile.

### When will this change take effect?

The changes to the ECHIQUIER QME investment strategy will take effect on 1 June 2022.

**If you do not agree with this change, you can redeem your shares free of charge at any time, since redemption fees are not applicable to this sub-fund.**

### How will these changes affect the risk/reward profile of your investment?

- Change to risk/reward profile? Yes
- Increase in risk/reward profile? Yes
- Potential increase in fees? No
  
- Will there be a significant change in the risk/reward profile? Yes, the change will be very significant



The investment strategy is to be modified to include the possibility of the sub-fund gaining exposure to a new asset class, namely commodities.



**How will this change affect your tax position?**

This change does not entail any tax impact; it only affects the investment strategy.

**What are the main differences between the sub-fund in which you currently hold shares and the sub-fund in which you will hold shares after the changes?**

The details of the changes are shown below.

Legal framework and investment policy	Before	After
<b>Change in the security selection method</b>	The sub-fund invests in four asset classes (equities, short rates, sovereign bonds and currencies) through more than 60 underlyings, with no geographic constraints. (...) Exposure to market trends is mainly obtained through the use of forward financial instruments, particularly futures.	The sub-fund will be exposed to different asset classes (equities, fixed income products, currencies and commodities), through around 100 underlyings. The selection of equity indices is not subject to any constraints in terms of geographic or market capitalisation size. The currencies will be developed country or emerging country currencies. (...) The exposure to market trends described above will mainly be obtained through a financial contract in the form of a Total Return Swap (TRS), entered into with Société Générale. The underlying of the TRS will be an index based on futures contracts on the asset classes to which the sub-fund wishes to gain exposure. (...)

Change to the risk/reward profile	Before	After	Contribution to risk profile versus previous position
Risk/reward on a scale of 1 to 7.			
Change in exposure to each risk category	<p data-bbox="443 539 660 607"><b>Counterparty risk</b> <i>Not significant</i></p> <p data-bbox="443 864 660 931"><b>Commodities risk</b> <i>N/A</i></p> <p data-bbox="411 1328 692 1395"><b>Investment in equities</b> <b>0%-100%</b> <i>The sub-fund may invest between 0% and 100% of its assets in equities issued by European and US large cap companies listed on the main indices (STOXX 600, S&amp;P 500). On an ancillary basis, the sub-fund may also invest in small cap and mid-cap companies.</i></p> <p data-bbox="451 1827 652 1861"><b>Equity exposure</b> <i>The sub-fund may also be exposed to equities via derivative instruments.</i></p>	<p data-bbox="858 539 1299 573"><b>Counterparty risk related to the TRS</b> <i>The systematic use of a TRS, a financial contract entered into on an over-the-counter basis with Société Générale, carries a counterparty risk.</i></p> <p data-bbox="970 864 1187 898"><b>Commodities risk</b> <i>The underlyings of the TRS will be financial contracts in the form of futures. These will be futures listed on organised markets, and their underlyings will be: financial instruments (equities), currencies, interest rates, yields, financial indices (including volatility) and commodities.</i></p> <p data-bbox="943 1290 1219 1395"><b>Investment in equities</b> <b>0%</b> <i>N/A</i></p> <p data-bbox="979 1827 1181 1861"><b>Equity exposure</b> <i>The exposure to equity risk stems from the investment in ETFs or is attached to the exposure obtained via the TRS</i></p>	<p data-bbox="1449 539 1473 573">+</p> <p data-bbox="1449 864 1473 898">+</p> <p data-bbox="1449 1328 1473 1361">-</p> <p data-bbox="1449 1827 1473 1861">-</p>

<i>With regard to the basket of underlyings to which the fund is exposed, futures on equity indices account for 50%*</i>	<i>With regard to the index underlying the TRS, this includes futures on equity indices at the level of 32%*</i>
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*\*Please note that the model is based on a maximum volatility distribution of 10% between the different underlyings, using an equal weighting approach. For example, if 100 underlyings are used, each of these may generate maximum volatility of 10% / 100.*

*The weighting of futures on equity indices provides an indication of the change in the sub-fund's exposure to equities.*

These changes were approved by the AMF on 07/04 2022.

#### **Essential points that investors should remember**

We would like to remind you of the necessity and importance of reading the Key Investor Information Document (KIID) for the ECHIQUIER QME sub-fund, as well as the prospectus and regular reports issued by SICAV ECHIQUIER, which are available on the website ([www.lfde.com](http://www.lfde.com)).

We strongly recommend that you contact your financial adviser if you have any questions relating to your investments or any other aspects of this change.

Yours faithfully,

**The Senior Management - La Financière de l'Echiquier**

## Annex – Glossary

**TRS (Total Return Swap):**

Transaction in which two parties swap the return and risk of the change in value of two different assets over a given period.