

ECHQUIER FUND

Société d'investissement à capital variable
Registered office: 60, Avenue J.F. Kennedy L-1855 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 180751
(Hereafter referred to as the “Company”)

ECHQUIER ARTIFICIAL INTELLIGENCE

LU1819480192 - LU1819479939 - LU2243332421 - LU2243332777 - LU2249481669
LU1819480275 - LU2276731333 - LU2417017865

Luxembourg, 7 november 2022

Dear Shareholders,

The members of the Board of Directors of the Company (the “**Board of Directors**”) would like to inform you by this notice of the following amendments to the Company’s prospectus (the “**Prospectus**”), dated 8 december 2022.

I. **Amendment to section “3. THE MANAGEMENT COMPANY” of the Prospectus**

The Board has decided to amend the general part of the Prospectus, section “3. The Management Company” in order to clarify the remuneration policy of the management company of the Company (addition(s) in bold and deletion(s) in strikethrough):

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

Management companies are required to define a remuneration policy that is consistent with sound and effective risk management. This principle is precisely defined in the AIFM Directive (2011/61/UE, in particular Annex II), the UCITS V Directive (2014/91/EU), as well as in the French Monetary and Financial Code (Article L. 533-22-2) and the AMF General Regulation (Article 319-10).

The AMF has also published professional guidelines for investment services providers with a view to the practical application of legal and regulatory provisions.

Lastly, the remuneration policy complies with Article 5 of the SFDR - Regulation (EU) 2019/2088.

The Management Company’s remuneration policy is fully compliant with sound and effective risk management. It does not encourage risk-taking that might be inconsistent with the risk profiles, regulation or regulatory documents of the UCIs managed by the Management Company.

The Management Company’s remuneration policy is aligned with the economic strategy, objectives, values and interests of the Management Company as well as the UCITS it manages, and includes measures to prevent potential conflicts of interests. The remuneration policy has been put in place in order to: actively support the strategy and objectives of the Management Company; promote the

competitiveness of the Management Company on the market in which it operates; ensure its attractiveness and the development and retention of motivated and qualified employees.

The general principles of the Management Company's remuneration policy are as follows:

- **The fixed component of remuneration takes into account the real situation of the labour market.**
- **The principle of equal pay for men and women, including with respect to career development.**
- **Each employee undergoes a skills assessment and evaluation process with the definition of qualitative and quantitative objectives.**
- **Non-contractual discretionary variable remuneration that rewards employees' performance. The variable portion is therefore reviewed each year by team and for each employee.**
- **The principles of variable remuneration comply with a principle of fairness that aims to motivate the greatest number of employees.**
- **Since 2020, the "contribution to the Management Company's responsible investment approach" has been a collective objective, set for all the Management Company's employees, and is included in determining their annual variable remuneration.**
- **The Management Company implements a deferred variable remuneration mechanism for risk takers awarded a variable remuneration of more than €200K; in application of the UCITS V and AIFM Directives.**

Details regarding the compensation policy are available online on the following website: www.lfde.com or free on request from the Management Company.

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

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

- ~~• support actively the achievement of the Management Company's strategy and objectives;~~
- ~~• support the competitiveness of the Management Company in the markets it operates;~~
- ~~• be able to attract, develop and retain high-performing and motivated employees; and~~
- ~~• address any situations of conflicts of interest. For that purpose, the Management Company has implemented and maintains an adequate management of conflicts of interest policy.~~

~~Employees of the Management Company are offered a competitive and market-aligned remuneration package making fixed salaries a significant component of their total package. Moreover, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the Shareholders in order to ensure that the assessment process is based on the longer term performance of the Company and its investment risks and that the actual payment of~~

~~performance-based components of remuneration is spread over the same period. Fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration components represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to pay no variable remuneration component.~~

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

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

II. Amendment to the sub-fund “ECHIQUIER ARTIFICIAL INTELLIGENCE” (the “Sub-Fund”) with regards to investments in special purpose acquisition companies

The Board of Directors has decided to amend the investment policy and risk profile of the Sub-Fund, for transparency purposes, in compliance with the use of special purpose acquisition companies (the “SPACs”) prescribed by the CSSF FAQ concerning the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, by adding the following wording (addition(s) in bold):

“1. Investment Objective and Policy

[...] Besides, the Sub-Fund may invest (up to 10% of its net assets) in companies at initial public offering (“IPO”) (i.e. offering of shares of a private corporation to the public in a new stock issuance) after a convincing discretionary analysis.

The Sub-Fund may also invest (up to 10% of its net assets) in special purpose acquisition companies (“SPACs”), which are companies only formed to raise capital through an IPO for the purpose of acquiring or merging with an existing company and qualifying as eligible investments as per article 41 of the Investment Fund Law.

2. Risk Profile

[...]

➤ Investments in initial public offerings: Yes

These securities may be subject to greater volatility than more established securities as a result of factors such as the absence of a past public market offering, non-seasonal transactions, the number of securities that can be traded and a lack of information about the issuer. Investing in these securities can lead to an increase of the possible expenses as well as a shorter holding time periods. Moreover the investment in initial public offering can have a significant impact on the Sub-Fund’s performance.

➤ Investments in special purpose acquisition company: Yes

These securities may be subject to specific risks such as dilution, liquidity, conflicts of interests or the uncertainty as to the identification, evaluation as well as eligibility of the target company and can be hard to evaluate because of a lack of trading history and relative lack of public information. Moreover, the structure of SPACs can be complex and their characteristics may vary largely from one SPAC to another, meaning that the Management Company will study each SPAC individually to ensure compliance with article 41 of the Investment Fund Law. [...]

III. Amendment to the Sub-Fund with regards to its sustainability policy

The Board of Directors has decided to amend the policy of the Sub-Fund in order to include a percentage of “sustainable investments” to its portfolio, without requiring its rebalancing, by adding the following wording (addition(s) in bold):

*“[...] This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, **including an allocated percentage to Sustainable Investments and** integrating the consideration of Sustainability Risk and ESG criteria, as described in Part A, Section 4. [...]*

The Sub-Fund invests up to 10% of its assets into Sustainable Investments. [...]

IV. Amendment to the Sub-Fund with regards to the consideration of principal adverse impacts and Taxonomy regulation

The Board of Directors has decided to amend the investment policy of the Sub-Fund in order to highlight the consideration of principal adverse impacts at product-level as well as Taxonomy Regulation (The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending SFDR) related disclosure, by adding the following wording (addition(s) in bold):

“[...] Finally, the Management Company takes into account the principal adverse sustainability impacts indicators in its investment decisions.

The Sub-Fund promotes environmental characteristics but does not target investments that take into account the EU criteria for environmentally sustainable economic activities as set out in article 9 of the Taxonomy Regulation. The Sub-Fund’s proportion of investments in environmentally sustainable economic activities amounts to 0% of its assets, including a proportion of 0% of enabling activities and 0% of transitional activities as referred to in Article 16 and Article 10(2) of the Taxonomy Regulation. Should the portfolio of the Sub-Fund fall within the scope of environmentally sustainable economic activities, this paragraph will be updated in accordance with article 5 of the Taxonomy Regulation.

The “do no significant harm” principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities. [...]

V. Amendments to the Sub-Fund with regards to its performance fees

The Board of Directors has decided to amend the section "8. Expenses" the Sub-Fund in order to clarify the methodologies used in the calculation of its performance fees, being understood that the aforementioned will have no material impact on the shareholders including in terms of fees charged, by adding the following wording (addition(s) in bold and deletion(s) in strikethrough):

"[...] Frequency of crystallisation of the performance fee and Observation Period

The frequency of crystallisation, i.e. the frequency at which the provisions for the performance fees can be definitively retained by the Management Company, is annual.

The Observation Period for the calculation of the performance fee ends on 30 September each year. In case of launch of a new Class in the course of the financial year of the Sub-Fund, performance fees will only be crystallised after at least twelve months from the date of launch of such a new Class. As a result, in case a new Class is launched in March of "Year 1", performance fees will only be crystallised in September of "Year 2".

Performance Fee Reference Period

The Performance Fee Reference Period is the period during which the performance is measured and compared to that of the reference indicator, at the end of which the mechanism for compensating for past underperformance (or negative performance) can be reset. This period is set at five rolling years.

Reference indicator

MSCI All Country Index Net Return (Euro) including reinvested net dividends.

Calculation method

The performance fee is provisioned at each net asset value.

The performance fee is adjusted at each net asset value calculation, on the basis of 15% including all taxes of the outperformance of the Sub-Fund compared to the reference indicator, on the condition that the Sub-fund's performance is positive (the net asset value is higher than the net asset value at the start of the period).

If the Sub-Fund underperforms the benchmark, this provision is adjusted through writebacks. Provision writebacks are capped at the level of the allocations made.

The methodology applied for the calculation of performance fees is based on the "fictional asset" calculation method, which simulates a fictional asset subject to the same subscription and redemption conditions as the original Sub-Fund, incremented by the performance of the benchmark. This fictional asset is then compared with the performance of the Sub-Fund's actual assets. The difference between the two assets therefore gives the Sub-Fund's outperformance relative to its reference indicator.

Payment of the performance fee and catch-up period

• In the event that the Sub-Fund has outperformed at the end of the Observation Period and that it has a positive performance, the Management Company takes the fees provisioned for and a new Observation Period starts.

• In the event that the Sub-Fund has outperformed at the end of the Observation Period and has a negative performance, the Management Company takes no performance fee but a new Observation Period starts.

- ***In the case that the Sub-Fund has underperformed its reference indicator at the end of the Observation Period, no fee is charged and the initial Observation Period is extended by 12 months (catch-up period) so that this underperformance may be compensated for before a performance fee becomes payable again.***
- ***The Observation Period may be extended as such by up to five years (reference period). Beyond that, if the residual underperformance has not been caught up, it will be abandoned. If a year of underperformance has occurred within this first 5-year period and has not been caught up by the end of this first period, a new period of up to 5 years will begin from this new year of underperformance. When shares/units are redeemed, if there is a provision for performance fees, the amount proportional to the redeemed shares/units is paid to the management company.***

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

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

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

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

~~In case of launch of a new Class in the course of the financial year of the Fund, performance fees will only be crystallised after at least twelve months from the date of launch of such a new Class. As a~~

~~result, in case a new Class is launched in March of "Year 1", performance fees will only be crystallised in September of "Year 2". [...]"~~

In addition, updated calculation tables have been incorporated directly in the above-mentioned factsheets.

For any additional information, please consult the Prospectus dated 8 december 2022, available free of charge upon request at the Company's registered office or on the website of Financière de l'Echiquier: www.lfde.com.

Finally, investors who do not approve the amendments to be implemented in the Prospectus have one month from the date of this notice to request the redemption of their shares free of charge, by submitting a redemption request in accordance with the procedure described in the Prospectus.

The Board of Directors