

ECHIQUEIR 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**”)

ECHIQUEIR ARTIFICIAL INTELLIGENCE

LU1819480192 - LU2276731333 - LU1819479939

LU2249481669 - LU2243332421 - LU2243332777 - LU1819480275

Luxembourg, August 27th, 2021

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 September 2021.

I. Amendments of the glossary of the prospectus of the Company (the “**Prospectus**”)

The Board has decided to add the two following definitions as follows:

Performance Crystallisation Period	Fee	The yearly period during which the performance fee is calculated and accrued and at the end of which the accrued performance fee (if any) is paid.
Performance Fee Reference Period		The 5-year period during which the performance is calculated and compared to the index of reference and at the end of which the Fund is entitled to reset the past negative performance (or underperformance) recovery mechanism.

II. Amendment to section 2 “**THE COMPANY**” of the Prospectus, to reflect the change of financial year of the Company decided by the extraordinary general meeting of the shareholders held on 26 July 2021, as follows (additions in bold, deletions in strikethrough):

“[...] The financial year of the Company starts on 1 ~~January~~ **October** and ends on ~~31 30 December~~ **September** of each year. The first financial year started at the launch of the SICAV and ended on 31 December 2013. [...]”

III. Amendment to the sub-fund “**ECHIQUEIR ARTIFICIAL INTELLIGENCE FUND**” (the “**Sub-Fund**”)

The Board of Directors has decided to amend the investment policy of the above-mentioned Sub-Fund by modifying the following wording (additions in bold, deletions in strikethrough):

1.1. Investment objective

“[...]”

~~The attention of the Shareholders is drawn to the fact that the below benchmark disclosures will be applicable until 4 April 2021:~~

~~The Sub-Fund may use the MSCI World Index to compare the performance in retrospect, for information purpose, and is therefore not considered as a "benchmark user" according to the Benchmarks Regulation. This index is calculated in euros and dividends reinvested by MSCI.~~

~~The attention of the Shareholders is drawn to the fact that the below benchmark disclosures will enter into force on 5 April 2021:~~

~~The objective of the Sub-Fund is to achieve, over the recommended investment period, a performance net of fees higher than that of its benchmark index, the MSCI World Index **Net Total Return**. However, the Sub-Fund does not aim to replicate the performance of this index and the composition of the portfolio may therefore differ significantly from that of its performance indicator (i.e. the Sub-Fund may invest in instruments that are not part of the benchmark index). **The index is not consistent with environmental and social characteristics promoted by the Sub-Fund.** [...]~~

1.2. Investment policy of the Sub-Fund

This objective is associated with an extra-financial approach in compliance with the provisions of Article 8 of SFDR, integrating the consideration of Sustainability Risk and ESG criteria as described in Part A, Section 4.

~~Sustainability Risks are integrated into the Sub-Fund's investment management process in compliance with the provisions of Article 6 of SFDR. For that purpose, the Sub-Fund systematically integrates ESG criteria while selecting the underlying assets, as further described in Part A, Section 4 of the Prospectus in order to:~~

- ~~- exclude controversial sectors and practices; and~~
- ~~- score all issuers from an ESG point of view in order to reduce the international Artificial Intelligence-related equity market investment universe. The extra-financial analysis coverage rate will be higher than 90% of the net assets invested or exposed to the main large capitalisation equity investments (75% for large capitalisation whose registered office in emerging markets or medium/small capitalisations). The attention of the investors is however drawn to the fact that the Sub-Fund is not subject to any regulatory or binding ESG scoring limit. [...]~~

The Sub-Fund may invest in securities with embedded derivatives (warrants, subscription certificates, etc.) traded on eurozone and/or international regulated markets or over the counter. The use of embedded derivatives, as opposed to the other derivative instruments listed above, will mainly be as a result of the Sub-Fund 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. [...]

In addition, the Sub-Fund systematically incorporates environmental, social, and governance criteria.

The examples of indicators used for each of the E, S, and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans put in place by the company, exposure of suppliers to environmental risks, positive or negative impact of products on the environment;**
- Social indicators: attractiveness of the employer brand, employee loyalty, fight against discrimination, employee protection, exposure of suppliers to social risks, relations with civil society;**

- **Governance indicators: competence of the management team, counter-power, respect for minority shareholders, business ethics.**

The extra financial objectives consist in the management of the fund to:

- **Conducting an ESG analysis of issuers (minimum 90%)**

The ESG rating is out of 10 and is awarded to each issuer. This rating is determined by an internal methodology of the management company and is composed as follows:

- **Governance: The Governance rating represents approximately 60% of the overall ESG score. This is a historical bias of La Financiere de l'Echiquier, which has attached particular importance to this subject since its creation.;**
- **Environmental and Social: Social and environmental criteria are combined to determine a "Responsibility" score. Its calculation takes into account the type of company concerned:**
 - **for industrial stocks: the social and environmental criteria are equally weighted in the "Responsibility" score.**
 - **for service stocks: the "Social" score accounts for 2/3 of the "Responsibility" score, while the "Environmental" score represents 1/3 of the "Responsibility" score.**

- **To have an ESG performance superior to the one of its investment universe.**
- **Conducting an exclusionary approach based on sectoral and normative exclusions.**
- **Implement a filter based on ESG convictions (existence of a minimum rating).**

The methodological limitations of the ESG approach mainly concern the fiability of extra-financial data published by issuers and the subjective nature of the rating implemented within the Management Company. [...]";

Furthermore, the Board has decided to amend the sub-fund "ECHIQUIER ARTIFICIAL INTELLIGENCE", sub-section 8 "Expenses" of the Prospectus as follows (additions in bold, deletions in strikethrough):

"[...]"

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 ~~provision~~ performance fee accrual for performance fees 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 ~~provision~~ 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 reference period. The Performance Fee Crystallisation Period ~~The calculation of the outperformance will be carried out for starts~~ for the first time as from 01 August 2020 and will end on 31 July 2021 for class B (EUR), whereas for class B (USD) the Performance Fee Crystallisation

Period starts for the first time on 06 January 2021 and ends on 30 September 2022. As from the 01 August 2021, the Performance Fee Crystallisation Period reference period for the calculation runs from 01 August to ends on 30 July September each year. Therefore, the following Performance Fee Crystallisation Period for class B (EUR) will run exceptionally from 01 August 2021 to 30 September 2022. 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 ~~reference period~~ Performance Fee Crystallisation Period is higher than the net asset value at the beginning of the ~~reference period~~ Performance Fee 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 yearly basis with a maximum of 5 years (Performance Fee Reference Period).

Please refer to the calculations examples in the table below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Sub-Fund's performance	+ 3%	+ 1%	+ 0 %	- 4 %	+ 6 %
Index's performance	+ 1%	+ 5%	- 1 %	- 9 %	+ 1 %
over/under performance	+ 2%	- 4%	+ 1%	+ 5%	+ 5 %
Total over/under performance		-4%	- 3%	+ 2 %	+ 5%
Performance fee	15% x 2 %	0	0	0	15% x 5 %
Performance Fee Reference Period*	=====>	=====>			=====>

** Regarding the Performance Fee Reference Period, the arrows in the table indicate the beginning of a new Performance Fee Reference Period upon payment of the accrued performance fee and the extension of the Performance Fee Reference Period in case of underperformance, as detailed in the above paragraphs. The beginning of a new Performance Fee Period occurs also in case of negative performance when no performance fee is paid.*

[...]”.

IV. Amendment to the special section “ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA” of the Prospectus, as follows (additions in bold, deletions in strikethrough):

“Facility in Austria according to EU Directive 2019/1160 article 92:

**Erste Bank der österreichischen Sparkassen AG
Am Belvedere 1,
A-1100 Vienna/Austria
E-mail: foreignfunds0540@erstebank.at**

~~The Paying and Information Agent in Austria (the “Austrian Paying and Information Agent”) is:~~

~~Erste
Bank der österreichischen Sparkassen AG
Graben 21
A-1010 Wien~~

Applications for the redemption and conversion of units may be sent to the Austrian ~~Paying and Information Agent~~**Facility**.

All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the Austrian ~~Paying and Information Agent~~**Facility**.

The full prospectus (composed of the Prospectus and the Investment Fund Rules), the KIIDs and the annual and semi-annual reports may be obtained, free of charge in hardcopy, at the office of the Austrian ~~Paying and Information Agent~~**Facility** during normal opening hours.

Issue, redemption and conversion prices of units and any other information to the unitholders are also available, free of charge in hardcopy form, from the Austrian ~~Paying and Information Agent~~**Facility**.

No notification has been filed for the investment compartment ECHIQUIER ENTREPRENEURS SMALL CAP EUROPE.”

For any additional information, please consult the Prospectus dated September 2021, 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