

**ECHIQUIER FUND**  
**Société d'Investissement à Capital Variable**

R.C.S. Luxembourg N° B 180 751  
Audited Annual Report as at December 31, 2016

# ECHIQUIER FUND

Echiquier Agressor Fund

Echiquier Agenor Mid Cap Europe

Echiquier Arty Fund

Echiquier Global Leaders

Echiquier Major European Leaders

Echiquier Patrimoine Fund

Echiquier Value Fund

Echiquier European Bonds

Echiquier Low Vol

Echiquier Entrepreneurs Small Cap Europe\*

\* This Sub-Fund was launched on October 25, 2016.

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus and relevant Key Investor Information Document ("KIID") which will be accompanied by a copy of the latest available Annual Report and a copy of the latest available Semi-Annual Report, if published after such Annual Report.

## Table of Contents

Board of Directors	3
Directors' Report	5
Audit report	9
Statistics	11
Combined Statement of Net Assets as at December 31, 2016	14
Combined Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	14
Echiquier Agressor Fund	
Statement of Net Assets as at December 31, 2016	15
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	15
Statement of Changes in Number of Shares	15
Securities Portfolio as at December 31, 2016	16
Echiquier Agenor Mid Cap Europe	
Statement of Net Assets as at December 31, 2016	17
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	17
Statement of Changes in Number of Shares	17
Securities Portfolio as at December 31, 2016	18
Echiquier Arty Fund	
Statement of Net Assets as at December 31, 2016	19
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	19
Statement of Changes in Number of Shares	19
Securities Portfolio as at December 31, 2016	20
Echiquier Global Leaders	
Statement of Net Assets as at December 31, 2016	21
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	21
Statement of Changes in Number of Shares	21
Securities Portfolio as at December 31, 2016	22
Echiquier Major European Leaders	
Statement of Net Assets as at December 31, 2016	23
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	23
Statement of Changes in Number of Shares	23
Securities Portfolio as at December 31, 2016	24
Echiquier Patrimoine Fund	
Statement of Net Assets as at December 31, 2016	25
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	25
Statement of Changes in Number of Shares	25
Securities Portfolio as at December 31, 2016	26

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## Table of Contents

Echiquier Value Fund	
Statement of Net Assets as at December 31, 2016	27
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	27
Statement of Changes in Number of Shares	27
Securities Portfolio as at December 31, 2016	28
Echiquier European Bonds	
Statement of Net Assets as at December 31, 2016	29
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	29
Statement of Changes in Number of Shares	29
Securities Portfolio as at December 31, 2016	30
Echiquier Low Vol	
Statement of Net Assets as at December 31, 2016	31
Statement of Operations and Changes in Net Assets for the year ended December 31, 2016	31
Statement of Changes in Number of Shares	31
Securities Portfolio as at December 31, 2016	32
Financial derivative instruments as at December 31, 2016	32
Echiquier Entrepreneurs Small Cap Europe*	
Statement of Net Assets as at December 31, 2016	33
Statement of Operations and Changes in Net Assets for the period ended December 31, 2016	33
Statement of Changes in Number of Shares	33
Securities Portfolio as at December 31, 2016	34
Notes to the Financial Statements	35
Additional unaudited information	41

\* This Sub-Fund was launched on October 25, 2016.

**Board of Directors****REGISTERED OFFICE**

60, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**MANAGEMENT COMPANY**

Financière de l'Echiquier  
GP91004  
53, avenue d'Iéna  
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**DIRECTORS OF THE SICAV**

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Chairman of the Board of Directors  
Chief Investment Officer,  
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Sébastien D'ORNANO (until April 29, 2016)  
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France

**DIRECTORS OF THE MANAGEMENT COMPANY**

Didier LE MENESTREL  
Chairman

Dominique CARREL - BILLIARD  
Chief Executive Officer

Christian GUEUGNIER  
Deputy CEO

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Grand Duchy of Luxembourg

**DEPOSITARY AND PAYING AGENT**

BNP Paribas Securities Services - Luxembourg Branch  
60, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Board of Directors (continued)**

**CENTRAL ADMINISTRATION AND  
REGISTRAR / TRANSFER AGENT**

BNP Paribas Securities Services - Luxembourg Branch  
60, avenue John F. Kennedy  
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**DISTRIBUTOR**

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## Directors' Report

### Echiquier Agenor Mid Cap Europe

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier Agenor. It is permanently and fully invested in Echiquier Agenor units from its Master Fund and, on an ancillary basis, cash.

#### Investment Objective and Benchmark index of the master fund:

Echiquier Agenor is a dynamic fund seeking long-term performance through exposure to European equity markets. The MSCI Europe Small Cap Index is a representative indicator of the management objective of Echiquier Agenor. This index, which is used solely for information purposes, shows changes in all euro-denominated equities of European small and medium capitalisation companies. It is calculated in euros, dividends reinvested.

#### Management report :

The master fund Echiquier Agenor ended the year at 0.40% whereas the sub-fund Echiquier Agenor Mid Cap Europe posted a performance of 0.44% on the period.

Echiquier Agenor closed the year 2016 slightly up 0.4%, in line with its benchmark index the MSCI Europe Small Cap which increased by 0.8%. The fund outperformed its benchmark in the first part of the year benefiting in particular from its under exposure to the British market at the time of the Brexit referendum. AGENOR however suffered from its under exposure to cyclicals which rebounded strongly during the last months of the year. The main contributors to the fund's performance over the year were SEB (+36%), MONCLER (+28%), BENETEAU (+30% since it entered the portfolio in June), SARTORIUS (+17%) and ALTEN (+25%). This year, nearly a third of the portfolio was renewed with stocks that reached their sales objective being taken out (CINEWORLD, CTS EVENTIM...) along with those whose roadmap was not turning out as hoped (ONTEX, PROTECTOR, VIRGIN MONEY...). In return, your team has initiated new lines on growth projects (MAISONS DU MONDE, NETS, UDG...) and stocks that are strong upside opportunities and for which we anticipate a gradual improvement in momentum (BENETEAU, SENIOR, ZUMTOBEL...) For 2017, Echiquier Agenor continues to favour growth stocks selected for the quality of their management and their ability to grow regardless of the market environment. Our liquidity level of 10% will enable us to be opportunistic and take advantage of market corrections to initiate new lines that will also help the performance in 2017. For information, the Fund may invest in the institutional units of our funds whenever these exist. The performance achieved over the period is no guarantee of the future results of the Fund.

### Echiquier Arty Fund (formerly Arty Fund)

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier ARTY. It is invested permanently and fully in Echiquier ARTY units from its Master Fund and, on an ancillary basis, cash.

#### Investment Objective and Benchmark index of the master fund:

Echiquier ARTY is a fund seeking medium-term performance through discretionary and opportunistic management on the interest rate and equity markets. The composite index, comprised of 25% EONIA capitalised + 25% MSCI EUROPE + 50% IBOXX EURO CORPORATE 3-5, may act as a benchmark for the management of Echiquier ARTY, the Master Fund. It is used solely for information purposes and is calculated in euros, with dividends reinvested.

#### Management report :

Management report The master fund Echiquier ARTY ended the year at 4.49% whereas the sub-fund Echiquier ARTY Fund posted a performance of 4.47% on the period.

After a chaotic start to the year and a difficult political context: Brexit, the election of Mr Trump or the result of the Italian referendum, markets (equities and especially credit) finished the year on a strong note. In this context, mobility was the watchword applied to management of Echiquier ARTY in 2016. In bonds, the duration of the fund fluctuated between 2 and 4.1 years. The "Buy & Hold" policy applied up to March enabled us to turn in a strong performance for our bond investments despite a difficult start to the year. In the second and third quarter, we took advantage of the strong recovery on the market to reduce the portfolio risk and lighten up on subordinated bank debt. Ultimately, the rate of turnover of our bond investments is greater than 30% and was up 6.7%. There was also mobility in the equities investments, with 12 newcomers and 11 being taken out. One third of the equities were renewed over the year. Exposure to equities varied between 23% and 33%. And in the second half we decided to lighten up on growth stock in favour of "Value" stocks. Thus long time member stocks in your fund such as AIR LIQUIDE or RECKITT BENCKISER were taken out in favour of "Value" stocks such as HUGO BOSS or SWATCH. The equities part of the fund gained close to 9% over the year. At the end of 2016 Echiquier ARTY was up 4.5% compared to 2.3% for its benchmark index. To start 2017, we are maintaining a short duration on bonds (2 years) in the belief that the increase in long-term interest rates should continue. For equities, the share of "Value" stocks remains high (35% of the portfolio) reflecting the style turnover performed in the second half of 2016. For information, the Fund may invest in the institutional units of our funds whenever these exist. \* The performance achieved over the period is no guarantee of the future results of the Fund.

### Echiquier Major European Leaders

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier Major. It is permanently and fully invested in Echiquier Major units from its Master Fund and, on an ancillary basis, cash

#### Investment Objective and Benchmark index of the master fund:

Echiquier Major is a dynamic fund seeking long-term performance through exposure to European equity markets. The MSCI Europe index is a benchmark for the management of Echiquier Major, the Master Fund. This index, used solely for illustrative purposes, is representative of the trend in the equity markets of the most developed countries in Europe. It is calculated in euros, dividends reinvested.

## Director's Report (continued)

### Management report :

Management report The master fund Echiquier Major ended the year at -4.03% whereas the sub-fund Echiquier Major European Leaders Leaders posted a performance of -4.05% on the period.

Your fund achieved a performance of -4.02% compared to the benchmark index performance of +2.55%. 17 new stocks entered the portfolio during the year and 14 were taken out, ending the year with a total of 38 stocks in the portfolio. In early 2016 as in 2015 we had stated our desire to focus on robust growth models independent of the macroeconomic environment. Turnover has been higher this year with stocks being taken out such as ERICSSON and CAPITA due to their failure to comply with the model or stocks such as HERMES or GEBERIT who attained their objectives. The newcomers are high quality leaders who have suffered from disappointing earnings reports but that do not jeopardize their business model in our view and consequently are opportunities for Echiquier Major: CAP GEMINI, PUBLICIS and RICHEMONT. In a high volatility environment with brexit, the American elections and the Italian referendum, the fund was especially hard hit in the second part of the year with a sector turnover towards value stocks such as banks and oil companies. True to our growth style we took advantage of this unfavourable climate for our investment universe to boost our strongest convictions: COMPASS, FRESENIUS SE and LEGRAND. We have configured the fund in early 2017 to again cope this year with strong volatility with a rise in U.S. rates, a new American president who, while favourable to growth, is unpredictable and elections in Europe which are always factors of uncertainty. We have decided to focus Echiquier MAJOR on our strong convictions with the first 10 weights accounting for 40% of the fund and favouring stand-alone models. Our 5 biggest weights are FRESENIUS SE, AMADEUS, INDITEX, LEGRAND and MICHELIN. We will continue our work to take advantage of these fine companies and prudently invest our pocket of cash (4% of the fund). For information, the Fund may invest in the institutional units of our funds whenever these exist. The performance achieved over the period is no guarantee of the future results of the Fund.

### Echiquier Patrimoine Fund

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier Patrimoine. It is permanently and fully invested in Echiquier Patrimoine units from its Master Fund and, on an ancillary basis, cash.

#### Investment Objective and Benchmark index of the master fund:

Echiquier Patrimoine is a fund whose objective is to offer the most regular capital growth possible, by seeking exposure to trends within the interest rate and equity markets. As the master fund is neither an index fund, nor does it have a benchmark index, EONIA is used only as an indicator for an a posteriori performance comparison. EONIA, which is used solely for information purposes, is calculated by the European Central Bank and represents the reference daily rate for the eurozone interbank market.

#### Management report :

Management report The master fund Echiquier Patrimoine ended the year at 3.47% whereas the sub-fund Echiquier Patrimoine Fund posted a performance of 3.36% on the period.

2016 was a good year for Patrimoine, and this for two reasons: The first is that by posting an annual performance of 3.36%, the fund has greatly exceeded the expectations of gains earlier this year, but above all, with a net asset value of **1161.35 EUR**, Echiquier Patrimoine Fund closed out 2016 at an all-time high while maintaining low volatility. Among the biggest contributors to the fund's performance were so-called value stocks, the big winners in 2016, such as Groupe Guillin (+42%), Swatch (+20% since it joined the fund) or Société Générale that generated 26 basis points of performance through the three buy/sell operations during the year. Conversely, the utilities sector weighed on the fund's performance with Engie and EDF each being down -14% since they joined the fund. Instead of talking about the past, let's look ahead to the coming year. With rates close to zero all over the euro zone, the performance by credit investments could come from a very slight tightening of spreads, a modest performance from carrying and above all from mobility. As for equities, the driving force in the fund's performance, they continue to offer many opportunities such as Peugeot, Swatch or Eurotunnel group... But above all, here too we will try to take advantage of market volatility to protect the fund's capital. For information, the Fund may invest in the institutional units of our funds whenever these exist. The performance achieved over the period is no guarantee of the future results of the Fund.

### Echiquier Value Fund

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier Value. It is permanently and fully invested in Echiquier Value units from its Master Fund and, on an ancillary basis, cash.

#### Investment Objective and Benchmark index of the master fund:

The master fund ECHIQUIER VALUE is a dynamic fund seeking long-term performance through exposure to value stocks of the euro zone and referring to the MSCI EMU MID VALUE index. The MSCI EMU MID VALUE index is a benchmark for the management of Echiquier Value, the Master Fund. This index, used solely for illustrative purposes, is representative of the trend in the equity markets of the midcaps with value characteristics stocks. It is calculated in euros, dividends reinvested.

#### Management report :

The master fund Echiquier VALUE ended the year at 11.30% and the sub-fund Echiquier Value Fund posted an annual performance of 11.24%.

Echiquier Value closes its 4th year on a positive note, despite yet another extremely volatile year. The agenda for 2016 was loaded with new policies (Brexit, the victory of Donald Trump and victory or loss in the Italian referendum), which the markets absorbed at varying rates. However, the sector-based turnover accompanying the rise in long-term interest rates, which boomed after the US elections, was a surprise. This environment was ultimately more beneficial for value investment. In this context, your fund climbed 12.29% over the year, compared with 10.70% for its reference index.

The optimal strategy for Value investors involved investing during phases of market stress (February and the fall in the cost of raw materials, June and Brexit). During the period, we attempted to purchase companies having extensively struggled on the stock market, despite solid fundamentals and a decent quality balance sheet (LANXESS, ALSTOM, SWATCH, SUBSEA 7, COFACE, ACCOR, HUGO BOSS, LUFTHANSA, DEUTZ, VW and MAERSK). We also took up position on two settlement cases for the balance sheet: VALLOUREC in the spring (sold in the autumn), and UNICREDIT more recently. For the main issues, we benefited from OSRAM, EXEL INDUSTRIES and JACQUET METAL, and sold CGG. The balance sheet for the year is satisfactory for the new portfolio entries while the positions for CGG and TELECOM ITALIA have proved more costly in terms of their contribution to performance.

As Echiquier Value is approaching this more European new year, the aim of your fund is to take full advantage of a larger universe, overflowing with



## Director's Report (continued)

opportunities and sectors, which are under-represented in France, to select the best of European "Value". Your fund is maintaining its disciplined approach and starting out on its fifth year with the same strategy, i.e. investing in securities benefitting from multiple catalysts, reliable valuation and a high safety margin. For information, the fund may invest in the institutional shares of our funds, if existing. The performance achieved over the period may not relate to the future results of the Fund.

### Echiquier European Bonds

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier OBLIG. It is invested permanently and fully in Echiquier OBLIG units from its Master Fund and, on an ancillary basis, cash.

**Investment Objective and Benchmark index of the master fund:** The objective of the master fund ECHIQUIER OBLIG is to generate similar performance to or to outperform the IBOXX EURO CORPORATE 3-5 YEARS index. The IBOXX EURO CORPORATE 3-5 YEARS index is used as a benchmark for the master fund ECHIQUIER OBLIG. As the master fund is not index-based, it in no ways intends to replicate the composition of this index. This index is representative of the performance of corporate bonds in EUR. It is calculated in EUR, with dividends reinvested.

#### Management report :

The master fund Echiquier Oblig ended the year at 5.30% whereas the sub-fund Echiquier European Bonds Fund posted a performance of 5.24%. Echiquier Oblig discretionarily invest on European corporate bonds, through a rigorous bond picking process.

After a difficult start of the year and in spite of political events : Brexit, election of D. Trump and the results of the constitutionnal referendum in Italy, financial markets, equities and even more fixed income, have posted in 2016 a positive performance.

Thanks to the tightening of the risk premia and to the decrease in interest rates, the fund posted a 5.30% performance in 2016, when its reference indicator turned in 3.52%. This overperformance is due to our credit exposure in the first quarter, followed by a more defensive approach later on in the year. The fund was managed with a short duration, especially during the second half of the year, in order to protect the fixed income component from the interest rates increase. Sector rotation in the portfolio was important as we reduced the financials and increased the corporates by more than 10 points.

### Echiquier Agressor Fund

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier Agressor. It is permanently and fully invested in Agressor units from its Master Fund and, on an ancillary basis, cash.

#### Investment Objective and Benchmark index of the master fund:

Echiquier Agressor is a dynamic fund seeking long-term performance through exposure to European equity markets. The CAC All Tradable index is a benchmark for the management of Echiquier Agressor, the Master Fund. This index, which is used solely for information purposes, shows changes across all sectors and euro-denominated French equities. It is calculated in euros and dividends are reinvested.

#### Management report :

The master fund Echiquier Agressor ended the year at 0.76% whereas the sub-fund Echiquier Agressor Fund posted a performance of 0.72% on the period.

Despite a busy political news and important sector turnover throughout the year, the MSCI Europe ended up with a slight increase of 2.6% compared to 0.76% for the FCP. The fund gradually reinvested its liquidity during the year to finish at around 5% at the end of December compared to 15 percent at the beginning of the year. Following the British Brexit referendum the fund increased its exposure to cyclical companies and reduced the weight of so-called growth stocks. We thus took advantage of the good performances of REXEL, SIKA and MICHELIN. Conversely we suffered from weak performances by some stocks in particular in the oil services sector such as CGG, telecom stocks such as Telecom Italia or the Banks with Credit Suisse. Among the stocks held for the entire year, the best performances came from NEXANS (+45%), SIKA (+35%), THYSSEN KRUP (+23%). Among the under-achievers were TELECOM ITALIA losing 29% and BOLLORE 22%. We sold 18 stocks during the year among them GEMALTO, ASSOCIATED BRITISH FOODS and CGG. 16 new stocks joined the fund including RYANAIR, REXEL, CNH INDUSTRIAL. We will continue to stringently apply our investment principles by focusing on the companies' fundamentals and seeking significant price upside potential as well as companies with the ability to exceed market expectations. For information, the fund may invest in the institutional units of our funds whenever these exist. The performance achieved over the period is no guarantee of the future results of the Fund.

### Echiquier Global Leaders

#### Investment Objective:

This sub-fund is a feeder fund of the Echiquier Global. It is permanently and fully invested in Echiquier Global units from its Master Fund and, on an ancillary basis, cash.

#### Investment Objective and Benchmark index of the master fund:

Echiquier Global is a dynamic fund seeking long-term performance through exposure to growth stocks on international markets. The MSCI All Country World Index may be used as an indicator for an a posteriori performance comparison. This index, which is used solely for information purposes, is calculated in dollars and dividends reinvested by MSCI and converted into euros. It covers 45 countries from all geographic areas.

#### Management report:

The master fund Echiquier Global ended the year at 4.02 % whereas the sub-fund Echiquier Global Leaders posted a performance of 3.95% on the period.

Despite fears on the Chinese economy at the beginning of the year, the Brexit episode in June, then the election of Trump in the United States in November, 2016 was very favourable to international equities. In a context of a stock rally, the end of the year was marked by a strong sector turnover from growth stocks, in which your fund is heavily invested, to more cyclical stocks set to a backdrop of enthusiasm about future American infrastructure projects. Because of this relative outperformance of cyclical, your fund turned in a performance of +4.02% compared to an increase

## Director's Report (continued)

of 11.09% in the index. We do not believe that this rally is sustainable in the long run and therefore Echiquier Global maintains its investment strategy unchanged. Your fund remains invested in companies who are leaders in their fields and who deliver resilient growth rates in any economic or political context due to their business models. The biggest weights in the fund continue to be FACEBOOK and ALPHABET (8.0% and 6.8% of the fund respectively). Our conviction on ALPHABET, a historic stock in the fund remains intact: there is no doubt that the transition to online and mobile media will continue and that the internet giant will benefit from this. FACEBOOK, the other major leader in this oligopolistic industry captures over 20% of time spent on smartphones. With strong growth in sales, operating leverage and visionary managers, these stocks demonstrate the aforementioned qualities we are looking for. We believe they are well armed for the coming years while the sensitivity of their operational performance to external shocks is low. For information, the Fund may invest in the institutional units of our funds whenever these exist. \* The performance achieved over the period is no guarantee of the future results of the Fund.

### Echiquier Entrepreneurs Small Cap Europe

Investment Objective:

This sub-fund is a feeder fund of the Echiquier Entrepreneurs. It is permanently and fully invested in Echiquier Entrepreneurs units from its Master Fund and, on an ancillary basis, cash.

Management objective:

ECHIQUIER Entrepreneur is a dynamic fund seeking long term performance through exposure to small caps and micro caps on European equity markets.

Benchmark index:

The MSCI Europe MicroCap index is an indicator that is representative of Echiquier Entrepreneurs management. The index used solely for guidance represents the trend of all the shares of European micro cap stocks denominated in euros. It is calculated in euros with dividends reinvested.

Management report :

The master fund Echiquier Entrepreneurs ended the year at 13.78 % whereas the sub-fund Echiquier Entrepreneurs Small Cap Europe posted a performance of 4.28% on the period (creation as of 25-10-2016- on the same period the performance of the master fund is 4.36%)

Echiquier Entrepreneurs closed the year 2016 with a performance of +13.8% compared to +6.5% for its benchmark index the MSCI Europe Micro Cap. The amount of the fund increased from €141 M to €269 M. During the year your fund benefited from 5 takeover bids (LAVENDON, OCTO TECHNOLOGY, MOLESKINE, SLM SOLUTIONS and VALTECH) but also from strong performances by several of its major convictions earlier this year: DIRECT ENERGIE (+85%), DEVOTEAM (+72%), LECTRA (+49%), ESKER (+43%). In 2017, your team will continue its work in identifying management teams capable of carrying through ambitious projects all over Europe. In the current low growth environment, we will continue to focus on companies positioned on structurally promising markets independent of the cycle, with two priority investment areas: strong growth projects on disruptive markets (new lines with RAYSEARCH, INVISIO, SHOWROOMPRIVE) and companies capable of growing and creating value through acquisitions (ADDLIFE, GUERBET, MEDIAWAN...). For information, the Fund may invest in the institutional units of our funds whenever these exist. \* The performance achieved over the period is no guarantee of the future results of the Fund.

### Echiquier Low Vol

Investment Objective:

This sub-fund is a dynamic fund seeking long term performance investing on the European equity markets.

Benchmark index of the fund:

The MSCI Europe Index is a representative indicator the management of the fund and is calculated net returns. It indicates the levels of the equity markets of the most developed countries in Europe.

Management report :

The sub-fund Echiquier LOW VOL posted an annual performance of 1.14%, to be compared to the MSCI Europe 2016 performance of 2.58%.

Market dynamics have been quite changing in 2017 with a significant decrease in June post Brexit, and a strong rally afterwards, but overall performance of the European markets in 2016 is non-significant.

In 2016, the long portfolio turned in a 0.8% positive performance whereas in those changing market conditions the hedge has at some periods cost performance, and improved the performance after the Brexit. Finally, Echiquier Low Vol turned in a 1.1% performance in 2016.

In 2016, the long portfolio progressively moved away from growth stocks towards a value stance. And even though significant sector rotation may continue over the start of 2017, it is nonetheless somewhat overplayed.

In our view, EIFFAGE has been excessively penalised by the rejection of stocks which are deemed sensitive to increasing interest rates: even though a significant proportion of its valuation is made up by APRR motorways, increasing rates will be neutralised by inflation-linked toll increases. In addition, the group also has a number of ways to create value which are independent of macroeconomic activity. On the one hand, acquisitions should accelerate and contribute favourably to profit growth. On the other hand, the requirements for State infrastructure projects should regularly lead to a lengthening of the lifetime of concessions, which is not currently reflected in the valuation.

The Board of Directors

Luxembourg, April 20, 2017

Note : The figures stated in this report are historical and not necessarily indicative of future results.



## Audit report

To the Shareholders of  
**ECHQUIER FUND**

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We have audited the accompanying financial statements of ECHQUIER FUND and of each of its sub-funds, which comprise the statement of net assets and the securities portfolio as at December 31, 2016 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the SICAV for the financial statements*

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of ECHQUIER FUND and of each of its sub-funds as of December 31, 2016, and of the results of their operations and changes in their net assets for the year then ended, in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



*Other information*

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, April 20, 2017

A handwritten signature in black ink, appearing to be 'Didier Prime', written over a long, sweeping horizontal line.

Didier Prime

# ECHIQUIER FUND

## Statistics

		December 31, 2016	December 31, 2015	December 31, 2014
<b>Echiquier Agressor Fund</b>				
<b>Net Asset Value</b>	EUR	6,723,677.00	7,156,698.49	7,820,818.52
<b>Net asset value per share</b>				
Class A (EUR)	EUR	119.55	118.69	105.69
Class G (EUR)	EUR	1,189.99	1,169.10	1,031.92
Class I (EUR)	EUR	1,170.66	1,142.35	999.41
<b>Number of shares</b>				
Class A (EUR)		36,645.97	41,037.51	55,077.13
Class G (EUR)		1.00	1.00	1.00
Class I (EUR)		2,000.00	2,000.00	2,000.00
<b>Echiquier Agenor Mid Cap Europe</b>				
<b>Net Asset Value</b>	EUR	130,209.05	118,918.27	5,601.23
<b>Net asset value per share</b>				
Class A (EUR)	EUR	127.88	127.32	101.69
Class G (EUR)	EUR	1,261.75	1,242.95	983.98
<b>Number of shares</b>				
Class A (EUR)		1,008.33	924.23	45.41
Class G (EUR)		1.00	1.00	1.00
<b>Echiquier Arty Fund</b>				
<b>Net Asset Value</b>	EUR	18,279,948.30	24,450,432.72	14,501,928.26
<b>Net asset value per share</b>				
Class A (EUR)	EUR	111.75	106.97	104.65
Class D (EUR)	EUR	96.59	94.49	-
Class G (EUR)	EUR	1,099.12	-	-
Class I (EUR)	EUR	1,084.26	1,031.67	1,004.61
<b>Number of shares</b>				
Class A (EUR)		115,391.19	167,519.20	108,578.45
Class D (EUR)		48,759.39	38,551.72	-
Class G (EUR)		1.00	-	-
Class I (EUR)		621.30	2,799.00	3,125.00
<b>Echiquier Global Leaders</b>				
<b>Net Asset Value</b>	EUR	7,647.23	7,343.00	6,262.88
<b>Net asset value per share</b>				
Class A (EUR)	EUR	138.31	133.06	113.67
Class G (EUR)	EUR	1,414.85	1,347.25	1,140.59
<b>Number of shares</b>				
Class A (EUR)		45.06	45.06	45.06
Class G (EUR)		1.00	1.00	1.00
<b>Echiquier Major European Leaders</b>				
<b>Net Asset Value</b>	EUR	30,823,047.56	51,250,014.53	29,600,221.53

The accompanying notes are an integral part of these financial statements.

# ECHIQUIER FUND

## Statistics

		December 31, 2016	December 31, 2015	December 31, 2014
<b>Net asset value per share</b>				
Class A (EUR)	EUR	109.44	114.06	106.12
Class G (EUR)	EUR	1,103.12	1,137.95	1,049.37
<b>Number of shares</b>				
Class A (EUR)		281,634.35	449,308.08	278,917.50
Class G (EUR)		1.00	1.00	1.00
<b>Echiquier Patrimoine Fund</b>				
<b>Net Asset Value</b>	EUR	1,161.35	5,628,048.11	6,313,262.63
<b>Net asset value per share</b>				
Class A (EUR)	EUR	105.90	102.46	101.99
Class G (EUR)	EUR	1,055.45	-	-
<b>Number of shares</b>				
Class A (EUR)		1.00	54,931.00	61,899.46
Class G (EUR)		1.00	-	-
<b>Echiquier Value Fund</b>				
<b>Net Asset Value</b>	EUR	86,770.47	260,391.53	137,332.79
<b>Net asset value per share</b>				
Class A (EUR)	EUR	116.61	104.82	92.98
<b>Number of shares</b>				
Class A (EUR)		744.09	2,484.09	1,477.09
<b>Echiquier European Bonds</b>				
<b>Net Asset Value</b>	EUR	1,038.61	986.85	1,002.62
<b>Net asset value per share</b>				
Class A (EUR)	EUR	103.86	98.69	100.26
<b>Number of shares</b>				
Class A (EUR)		10.00	10.00	10.00
<b>Echiquier Low Vol</b>				
<b>Net Asset Value</b>	EUR	8,289,425.76	7,790,655.86	-
<b>Net asset value per share</b>				
Class A (EUR)	EUR	103.85	-	-
Class I (EUR)	EUR	963.98	953.07	-
<b>Number of shares</b>				
Class A (EUR)		11,843.67	-	-
Class I (EUR)		7,323.29	8,174.29	-
<b>Echiquier Entrepreneurs Small Cap Europe*</b>				
<b>Net Asset Value</b>	EUR	1,149.06	-	-
<b>Net asset value per share</b>				
Class A (EUR)	EUR	104.28	-	-
Class G (EUR)	EUR	1,044.78	-	-

The accompanying notes are an integral part of these financial statements.

# ECHIQUIER FUND

## Statistics

	December 31, 2016	December 31, 2015	December 31, 2014
<b>Number of shares</b>			
Class A (EUR)	1.00	-	-
Class G (EUR)	1.00	-	-

\* This Sub-Fund was launched on October 25, 2016.

Combined Statements

Statement of Net Assets as at December 31, 2016

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR		Notes	EUR
<b>Assets</b>			<b>Income</b>		
Investment in securities at cost		61,296,108.86	Dividends (net of withholding taxes)		2,567.67
Unrealised appreciation / (depreciation) on securities		2,317,163.97	Bank interest		0.64
Investment in securities at market value	2.2, 9	63,613,272.83	Other income	3	1,429,370.00
Cash at bank		971,409.58	<b>Total income</b>		<b>1,431,938.31</b>
Receivable for investment sold		127,409.19	<b>Expenses</b>		
Prepaid expenses and other assets		299,475.05	Management fees	3	1,422,962.03
<b>Total assets</b>		<b>65,011,566.65</b>	Transaction costs	10	22,596.96
<b>Liabilities</b>			Bank interest and charges		1,141.27
Other payables		308,942.82	Printing & Publication fees		3,105.00
Payable on redemptions		111,418.44	Other expenses		15,148.89
Net unrealised depreciation on Total Return Swap	2.4, 11	247,131.00	<b>Total expenses</b>	9	<b>1,464,954.15</b>
<b>Total liabilities</b>		<b>667,492.26</b>	<b>Net investment income / (loss)</b>		<b>(33,015.84)</b>
<b>Net assets at the end of the year</b>		<b>64,344,074.39</b>	Net realised gain / (loss) on:		
			Investments		(802,455.29)
			Foreign currencies transactions		44.87
			Options and swaps		245,282.01
			<b>Net realised gain / (loss) for the year</b>		<b>(590,144.25)</b>
			Net change in unrealised appreciation / (depreciation) on:		
			Investments		(414,418.56)
			Options and swaps		(392,931.00)
			<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>(1,397,493.81)</b>
			Proceeds received on subscription of shares		11,813,585.56
			Net amount paid on redemption of shares		(42,652,701.30)
			Dividend distribution	12	(82,805.42)
			Net assets at the beginning of the year		96,663,489.36
			<b>Net assets at the end of the year</b>		<b>64,344,074.39</b>

The accompanying notes are an integral part of these financial statements.



Echiquier Agressor Fund (in EUR)

Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		5,998,326.23
Unrealised appreciation / (depreciation) on securities		661,247.17
Investment in securities at market value	2.2, 9	6,659,573.40
Cash at bank		52,284.83
Prepaid expenses and other assets		38,261.72
<b>Total assets</b>		<b>6,750,119.95</b>
<b>Liabilities</b>		
Other payables		26,442.95
<b>Total liabilities</b>		<b>26,442.95</b>
<b>Net assets at the end of the year</b>		<b>6,723,677.00</b>

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	154,984.13
<b>Total income</b>		<b>154,984.13</b>
<b>Expenses</b>		
Management fees	3	118,232.50
Bank interest and charges		93.63
Printing & Publication fees		289.88
<b>Total expenses</b>	9	<b>118,616.01</b>
<b>Net investment income / (loss)</b>		<b>36,368.12</b>
Net realised gain / (loss) on:		
Investments		23,967.80
<b>Net realised gain / (loss) for the year</b>		<b>60,335.92</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		(3,070.99)
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>57,264.93</b>
Proceeds received on subscription of shares		170,120.41
Net amount paid on redemption of shares		(660,406.83)
Net assets at the beginning of the year		7,156,698.49
<b>Net assets at the end of the year</b>		<b>6,723,677.00</b>

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	41,037.51	1,516.24	(5,907.78)	36,645.97
Class G (EUR)	1.00	-	-	1.00
Class I (EUR)	2,000.00	-	-	2,000.00

## Echiquier Agressor Fund (in EUR)

## Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
3,560.72	AGRESSOR FCP 3DEC CAP	EUR	6,659,573.40	99.05
			<b>6,659,573.40</b>	<b>99.05</b>
			<b>6,659,573.40</b>	<b>99.05</b>
<b>Total securities portfolio</b>			<b>6,659,573.40</b>	<b>99.05</b>

## Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>6,659,573.40</b>	<b>99.05</b>
<b>Cash at bank</b>	<b>52,284.83</b>	<b>0.78</b>
<b>Other assets and liabilities</b>	<b>11,818.77</b>	<b>0.17</b>
<b>Total net assets</b>	<b>6,723,677.00</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

Echiquier Agenor Mid Cap Europe (in EUR)

Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		121,497.96
Unrealised appreciation / (depreciation) on securities		7,967.44
Investment in securities at market value	2.2, 9	129,465.40
Cash at bank		744.47
Prepaid expenses and other assets		718.19
<b>Total assets</b>		<b>130,928.06</b>
<b>Liabilities</b>		
Other payables		719.01
<b>Total liabilities</b>		<b>719.01</b>
<b>Net assets at the end of the year</b>		<b>130,209.05</b>

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	2,994.33
<b>Total income</b>		<b>2,994.33</b>
<b>Expenses</b>		
Management fees	3	3,001.07
Bank interest and charges		2.14
Printing & Publication fees		4.24
<b>Total expenses</b>	9	<b>3,007.45</b>
<b>Net investment income / (loss)</b>		<b>(13.12)</b>
Net realised gain / (loss) on:		
Investments		3,270.85
<b>Net realised gain / (loss) for the year</b>		<b>3,257.73</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		(2,032.30)
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>1,225.43</b>
Proceeds received on subscription of shares		164,459.57
Net amount paid on redemption of shares		(154,394.22)
Net assets at the beginning of the year		118,918.27
<b>Net assets at the end of the year</b>		<b>130,209.05</b>

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	924.23	1,368.46	(1,284.36)	1,008.33
Class G (EUR)	1.00	-	-	1.00

## Echiquier Agenor Mid Cap Europe (in EUR)

## Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
466.93	ECHIQUIER AGENOR	EUR	129,465.40	99.43
			<b>129,465.40</b>	<b>99.43</b>
			<b>129,465.40</b>	<b>99.43</b>
<b>Total securities portfolio</b>			<b>129,465.40</b>	<b>99.43</b>

## Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>129,465.40</b>	<b>99.43</b>
<b>Cash at bank</b>	<b>744.47</b>	<b>0.57</b>
<b>Other assets and liabilities</b>	<b>(0.82)</b>	<b>-</b>
<b>Total net assets</b>	<b>130,209.05</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

# ECHIQUIER FUND

## Echiquier Arty Fund (in EUR)

### Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		17,493,286.74
Unrealised appreciation / (depreciation) on securities		696,421.84
Investment in securities at market value	2.2, 9	18,189,708.58
Cash at bank		89,099.50
Receivable for investment sold		17,930.84
Prepaid expenses and other assets		68,435.90
<b>Total assets</b>		<b>18,365,174.82</b>
<b>Liabilities</b>		
Other payables		67,463.04
Payable on redemptions		17,763.48
<b>Total liabilities</b>		<b>85,226.52</b>
<b>Net assets at the end of the year</b>		<b>18,279,948.30</b>

### Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	301,613.57
<b>Total income</b>		<b>301,613.57</b>
<b>Expenses</b>		
Management fees	3	291,001.91
Bank interest and charges		147.27
Printing & Publication fees		832.54
<b>Total expenses</b>	9	<b>291,981.72</b>
<b>Net investment income / (loss)</b>		<b>9,631.85</b>
Net realised gain / (loss) on:		
Investments		(98,585.29)
<b>Net realised gain / (loss) for the year</b>		<b>(88,953.44)</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		836,555.26
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>747,601.82</b>
Proceeds received on subscription of shares		3,239,677.05
Net amount paid on redemption of shares		(10,074,957.87)
Dividend distribution	12	(82,805.42)
Net assets at the beginning of the year		24,450,432.72
<b>Net assets at the end of the year</b>		<b>18,279,948.30</b>

### Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	167,519.20	7,000.70	(59,128.71)	115,391.19
Class D (EUR)	38,551.72	11,649.00	(1,441.33)	48,759.39
Class G (EUR)	-	1.00	-	1.00
Class I (EUR)	2,799.00	1,365.76	(3,543.46)	621.30

The accompanying notes are an integral part of these financial statements.

## Echiquier Arty Fund (in EUR)

## Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
11,733.25	ARTY	EUR	18,189,708.58	99.51
			<b>18,189,708.58</b>	<b>99.51</b>
			<b>18,189,708.58</b>	<b>99.51</b>
<b>Total securities portfolio</b>			<b>18,189,708.58</b>	<b>99.51</b>

## Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>18,189,708.58</b>	<b>99.51</b>
<b>Cash at bank</b>	<b>89,099.50</b>	<b>0.49</b>
<b>Other assets and liabilities</b>	<b>1,140.22</b>	<b>-</b>
<b>Total net assets</b>	<b>18,279,948.30</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

# ECHIQUIER FUND

## Echiquier Global Leaders (in EUR)

### Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		5,450.00
Unrealised appreciation / (depreciation) on securities		2,116.23
Investment in securities at market value	2.2, 9	7,566.23
Cash at bank		77.63
Prepaid expenses and other assets		45.06
<b>Total assets</b>		<b>7,688.92</b>
<b>Liabilities</b>		
Other payables		41.69
<b>Total liabilities</b>		<b>41.69</b>
<b>Net assets at the end of the year</b>		<b>7,647.23</b>

### Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	169.81
<b>Total income</b>		<b>169.81</b>
<b>Expenses</b>		
Management fees	3	157.44
Bank interest and charges		0.16
Printing & Publication fees		0.33
<b>Total expenses</b>	9	<b>157.93</b>
<b>Net investment income / (loss)</b>		<b>11.88</b>
<b>Net realised gain / (loss) for the year</b>		<b>11.88</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		292.35
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>304.23</b>
Proceeds received on subscription of shares		-
Net amount paid on redemption of shares		-
Net assets at the beginning of the year		7,343.00
<b>Net assets at the end of the year</b>		<b>7,647.23</b>

### Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	45.06	-	-	45.06
Class G (EUR)	1.00	-	-	1.00

The accompanying notes are an integral part of these financial statements.

Echiquier Global Leaders (in EUR)

Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
40.10	ECHIQUIER GLOBAL-C	EUR	7,566.23	98.94
			<b>7,566.23</b>	<b>98.94</b>
			<b>7,566.23</b>	<b>98.94</b>
<b>Total securities portfolio</b>			<b>7,566.23</b>	<b>98.94</b>

Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>7,566.23</b>	<b>98.94</b>
<b>Cash at bank</b>	<b>77.63</b>	<b>1.02</b>
<b>Other assets and liabilities</b>	<b>3.37</b>	<b>0.04</b>
<b>Total net assets</b>	<b>7,647.23</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.



Echiquier Major European Leaders (in EUR)

Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		30,419,621.75
Unrealised appreciation / (depreciation) on securities		249,891.04
Investment in securities at market value	2.2, 9	30,669,512.79
Cash at bank		153,838.51
Receivable for investment sold		94,000.13
Prepaid expenses and other assets		189,389.24
<b>Total assets</b>		<b>31,106,740.67</b>
<b>Liabilities</b>		
Other payables		190,038.15
Payable on redemptions		93,654.96
<b>Total liabilities</b>		<b>283,693.11</b>
<b>Net assets at the end of the year</b>		<b>30,823,047.56</b>

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	931,154.90
<b>Total income</b>		<b>931,154.90</b>
<b>Expenses</b>		
Management fees	3	933,086.74
Bank interest and charges		473.94
Printing & Publication fees		1,564.10
<b>Total expenses</b>	9	<b>935,124.78</b>
<b>Net investment income / (loss)</b>		<b>(3,969.88)</b>
Net realised gain / (loss) on:		
Investments		(143,200.78)
<b>Net realised gain / (loss) for the year</b>		<b>(147,170.66)</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		(2,209,760.85)
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>(2,356,931.51)</b>
Proceeds received on subscription of shares		3,489,083.58
Net amount paid on redemption of shares		(21,559,119.04)
Net assets at the beginning of the year		51,250,014.53
<b>Net assets at the end of the year</b>		<b>30,823,047.56</b>

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	449,308.08	32,549.87	(200,223.60)	281,634.35
Class G (EUR)	1.00	-	-	1.00

## Echiquier Major European Leaders (in EUR)

## Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
146,940.94	ECHIQUIER MAJOR	EUR	30,669,512.79	99.50
			<b>30,669,512.79</b>	<b>99.50</b>
			<b>30,669,512.79</b>	<b>99.50</b>
<b>Total securities portfolio</b>			<b>30,669,512.79</b>	<b>99.50</b>

## Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>30,669,512.79</b>	<b>99.50</b>
<b>Cash at bank</b>	<b>153,838.51</b>	<b>0.50</b>
<b>Other assets and liabilities</b>	<b>(303.74)</b>	<b>-</b>
<b>Total net assets</b>	<b>30,823,047.56</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

# ECHIQUIER FUND

## Echiquier Patrimoine Fund (in EUR)

### Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		1,118.43
Unrealised appreciation / (depreciation) on securities		32.13
<hr/>		
Investment in securities at market value	2.2, 9	1,150.56
Cash at bank		3.54
Prepaid expenses and other assets		1,227.82
<hr/>		
<b>Total assets</b>		<b>2,381.92</b>
<hr/>		
<b>Liabilities</b>		
Other payables		1,220.57
<hr/>		
<b>Total liabilities</b>		<b>1,220.57</b>
<hr/>		
<b>Net assets at the end of the year</b>		<b>1,161.35</b>

### Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Bank interest		0.64
Other income	3	35,832.84
<hr/>		
<b>Total income</b>		<b>35,833.48</b>
<hr/>		
<b>Expenses</b>		
Management fees	3	35,989.04
Bank interest and charges		26.58
Printing & Publication fees		46.80
<hr/>		
<b>Total expenses</b>	9	<b>36,062.42</b>
<hr/>		
<b>Net investment income / (loss)</b>		<b>(228.94)</b>
<hr/>		
Net realised gain / (loss) on:		
Investments		93,112.76
<hr/>		
<b>Net realised gain / (loss) for the year</b>		<b>92,883.82</b>
<hr/>		
Net change in unrealised appreciation / (depreciation) on:		
Investments		(32,208.55)
<hr/>		
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>60,675.27</b>
<hr/>		
Proceeds received on subscription of shares		1,124,605.44
Net amount paid on redemption of shares		(6,812,167.47)
Net assets at the beginning of the year		5,628,048.11
<hr/>		
<b>Net assets at the end of the year</b>		<b>1,161.35</b>

### Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	54,931.00	10,887.90	(65,817.90)	1.00
Class G (EUR)	-	1.00	-	1.00

The accompanying notes are an integral part of these financial statements.

## Echiquier Patrimoine Fund (in EUR)

## Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
1.28	ECHIQUIER PATRIMOINE	EUR	1,150.56	99.07
			<b>1,150.56</b>	<b>99.07</b>
			<b>1,150.56</b>	<b>99.07</b>
<b>Total securities portfolio</b>			<b>1,150.56</b>	<b>99.07</b>

## Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>1,150.56</b>	<b>99.07</b>
<b>Cash at bank</b>	<b>3.54</b>	<b>0.30</b>
<b>Other assets and liabilities</b>	<b>7.25</b>	<b>0.63</b>
<b>Total net assets</b>	<b>1,161.35</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

# ECHIQUIER FUND

## Echiquier Value Fund (in EUR)

### Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		75,662.02
Unrealised appreciation / (depreciation) on securities		10,762.06
Investment in securities at market value	2.2, 9	86,424.08
Cash at bank		340.57
Prepaid expenses and other assets		1,384.36
<b>Total assets</b>		<b>88,149.01</b>
<b>Liabilities</b>		
Other payables		1,378.54
<b>Total liabilities</b>		<b>1,378.54</b>
<b>Net assets at the end of the year</b>		<b>86,770.47</b>

### Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	2,605.25
<b>Total income</b>		<b>2,605.25</b>
<b>Expenses</b>		
Management fees	3	2,617.00
Bank interest and charges		0.46
Printing & Publication fees		3.38
<b>Total expenses</b>	9	<b>2,620.84</b>
<b>Net investment income / (loss)</b>		<b>(15.59)</b>
Net realised gain / (loss) on:		
Investments		(3,623.56)
<b>Net realised gain / (loss) for the year</b>		<b>(3,639.15)</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		4,193.26
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>554.11</b>
Proceeds received on subscription of shares		-
Net amount paid on redemption of shares		(174,175.17)
Net assets at the beginning of the year		260,391.53
<b>Net assets at the end of the year</b>		<b>86,770.47</b>

### Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	2,484.09	-	(1,740.00)	744.09

The accompanying notes are an integral part of these financial statements.

Echiquier Value Fund (in EUR)

Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
471.57	ECHIQUIER VALUE	EUR	86,424.08	99.60
			<b>86,424.08</b>	<b>99.60</b>
			<b>86,424.08</b>	<b>99.60</b>
<b>Total securities portfolio</b>			<b>86,424.08</b>	<b>99.60</b>

Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>86,424.08</b>	<b>99.60</b>
<b>Cash at bank</b>	<b>340.57</b>	<b>0.39</b>
<b>Other assets and liabilities</b>	<b>5.82</b>	<b>0.01</b>
<b>Total net assets</b>	<b>86,770.47</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

# ECHQUIER FUND

## Echiquier European Bonds (in EUR)

### Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		1,008.81
Unrealised appreciation / (depreciation) on securities		22.42
Investment in securities at market value	2.2, 9	1,031.23
Cash at bank		7.27
Prepaid expenses and other assets		8.04
<b>Total assets</b>		<b>1,046.54</b>
<b>Liabilities</b>		
Other payables		7.93
<b>Total liabilities</b>		<b>7.93</b>
<b>Net assets at the end of the year</b>		<b>1,038.61</b>

### Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	10.45
<b>Total income</b>		<b>10.45</b>
<b>Expenses</b>		
Management fees	3	10.53
Bank interest and charges		0.01
Printing & Publication fees		0.05
<b>Total expenses</b>	9	<b>10.59</b>
<b>Net investment income / (loss)</b>		<b>(0.14)</b>
<b>Net realised gain / (loss) for the year</b>		<b>(0.14)</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		51.90
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>51.76</b>
Proceeds received on subscription of shares		-
Net amount paid on redemption of shares		-
Net assets at the beginning of the year		986.85
<b>Net assets at the end of the year</b>		<b>1,038.61</b>

### Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	10.00	-	-	10.00

The accompanying notes are an integral part of these financial statements.

## Echiquier European Bonds (in EUR)

## Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
6.37	ECHIQUIER OBLIG	EUR	1,031.23	99.29
			<b>1,031.23</b>	<b>99.29</b>
			<b>1,031.23</b>	<b>99.29</b>
<b>Total securities portfolio</b>			<b>1,031.23</b>	<b>99.29</b>

## Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>1,031.23</b>	<b>99.29</b>
<b>Cash at bank</b>	<b>7.27</b>	<b>0.70</b>
<b>Other assets and liabilities</b>	<b>0.11</b>	<b>0.01</b>
<b>Total net assets</b>	<b>1,038.61</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.



# ECHIQUIER FUND

## Echiquier Low Vol (in EUR)

### Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		7,179,047.93
Unrealised appreciation / (depreciation) on securities		688,656.14
Investment in securities at market value	2.2, 9	7,867,704.07
Cash at bank		675,002.25
Receivable for investment sold		15,478.22
<b>Total assets</b>		<b>8,558,184.54</b>
<b>Liabilities</b>		
Other payables		21,627.78
Net unrealised depreciation on Total Return Swap	2.4, 11	247,131.00
<b>Total liabilities</b>		<b>268,758.78</b>
<b>Net assets at the end of the year</b>		<b>8,289,425.76</b>

### Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Dividends (net of withholding taxes)		2,567.67
<b>Total income</b>		<b>2,567.67</b>
<b>Expenses</b>		
Management fees	3	38,862.65
Transaction costs	10	22,596.96
Bank interest and charges		397.07
Printing & Publication fees		363.68
Other expenses		15,148.89
<b>Total expenses</b>	9	<b>77,369.25</b>
<b>Net investment income / (loss)</b>		<b>(74,801.58)</b>
Net realised gain / (loss) on:		
Investments		(677,397.07)
Foreign currencies transactions		44.87
Options and swaps		245,282.01
<b>Net realised gain / (loss) for the year</b>		<b>(506,871.77)</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		991,513.86
Options and swaps		(392,931.00)
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>91,711.09</b>
Proceeds received on subscription of shares		3,624,539.51
Net amount paid on redemption of shares		(3,217,480.70)
Net assets at the beginning of the year		7,790,655.86
<b>Net assets at the end of the year</b>		<b>8,289,425.76</b>

### Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A (EUR)	-	11,843.67	-	11,843.67
Class I (EUR)	8,174.29	2,549.00	(3,400.00)	7,323.29

The accompanying notes are an integral part of these financial statements.

## Echiquier Low Vol (in EUR)

### Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Shares</b>				
<b>Auto Parts &amp; Equipment</b>				
11,100.00	ALSTOM	EUR	290,542.50	3.50
20,050.00	CNH INDUSTRIAL NV	EUR	165,713.25	2.00
6,300.00	FAURECIA	EUR	232,060.50	2.80
3,950.00	MICHELIN (CGDE)	EUR	417,515.00	5.04
17,680.00	PEUGEOT SA	EUR	273,951.60	3.30
			<b>1,379,782.85</b>	<b>16.64</b>
<b>Building materials</b>				
17,984.00	ALTRAN TECHNOLOGIES SA	EUR	249,617.92	3.01
3,570.00	EFFAGE	EUR	236,512.50	2.85
6,620.00	KINGSPAN GROUP PLC	EUR	170,796.00	2.06
49.00	SIKA AG-BR	CHF	223,608.21	2.70
19,500.00	SPIE SA - W/I	EUR	390,292.50	4.70
			<b>1,270,827.13</b>	<b>15.32</b>
<b>Engineering &amp; Construction</b>				
275.00	DASSAULT AVIATION SA	EUR	291,940.00	3.52
2,760.00	SAFRAN SA	EUR	188,839.20	2.28
12,120.00	ZODIAC AEROSPACE	EUR	264,397.80	3.19
			<b>745,177.00</b>	<b>8.99</b>
<b>Insurance</b>				
10,590.00	PRUDENTIAL PLC	GBP	201,912.20	2.44
12,350.00	SCOR SE	EUR	405,450.50	4.89
			<b>607,362.70</b>	<b>7.33</b>
<b>Transportation</b>				
30,300.00	RYANAIR HOLDINGS PLC	EUR	439,501.50	5.30
			<b>439,501.50</b>	<b>5.30</b>
<b>Banks</b>				
30,294.00	NATIXIS	EUR	162,375.84	1.96
3,550.00	SOCIETE GENERALE	EUR	165,944.75	2.00
33,100.00	UNICREDIT SPA	EUR	90,495.40	1.09
			<b>418,815.99</b>	<b>5.05</b>
<b>Office &amp; Business equipment</b>				
8,500.00	INDRA SISTEMAS SA	EUR	88,485.00	1.07
3,056.00	SOPRA STERIA GROUP	EUR	329,589.60	3.97
			<b>418,074.60</b>	<b>5.04</b>
<b>Cosmetics</b>				
4,900.00	FRESENIUS SE & CO KGAA	EUR	363,874.00	4.39
			<b>363,874.00</b>	<b>4.39</b>
<b>Distribution &amp; Wholesale</b>				
22,200.00	REXEL SA	EUR	347,097.00	4.19
			<b>347,097.00</b>	<b>4.19</b>
<b>Forest products &amp; Paper</b>				
300.00	EXACOMPTA CLAIREFONTAINE	EUR	35,400.00	0.43
13,300.00	SMURFIT KAPPA GROUP PLC	EUR	289,873.50	3.49
			<b>325,273.50</b>	<b>3.92</b>
<b>Electric &amp; Electronic</b>				
900.00	NEXANS SA	EUR	44,289.00	0.53
11,200.00	PHILIPS LIGHTING NV	EUR	262,080.00	3.17
			<b>306,369.00</b>	<b>3.70</b>
<b>Diversified services</b>				
13,480.00	ELIOR GROUP	EUR	292,785.60	3.53
			<b>292,785.60</b>	<b>3.53</b>
<b>Financial services</b>				
77,600.00	BOLLORE	EUR	259,960.00	3.14
			<b>259,960.00</b>	<b>3.14</b>
<b>Computer software</b>				
8,750.00	WORLDLINE SA - W/I	EUR	234,325.00	2.83
			<b>234,325.00</b>	<b>2.83</b>

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Metal</b>				
7,800.00	THYSSENKRUPP AG	EUR	176,592.00	2.13
			<b>176,592.00</b>	<b>2.13</b>
<b>Media</b>				
7,200.00	ALTICE NV - A-W/I	EUR	135,576.00	1.64
			<b>135,576.00</b>	<b>1.64</b>
<b>Energy</b>				
6,880.00	UNIPER SE	EUR	90,231.20	1.09
			<b>90,231.20</b>	<b>1.09</b>
<b>Telecommunication</b>				
67,000.00	TELECOM ITALIA SPA	EUR	56,079.00	0.68
			<b>56,079.00</b>	<b>0.68</b>
			<b>7,867,704.07</b>	<b>94.91</b>
<b>Total securities portfolio</b>			<b>7,867,704.07</b>	<b>94.91</b>

### Financial derivative instruments as at December 31, 2016

Name	Maturity Date	Currency	Notional	Unrealised appreciation / (depreciation) in EUR
<b>Total Return Swap</b>				
TOTAL RETURN EQUITY SWAP 7	02/07/18	EUR	8,100,000.00	(247,131.00)
				<b>(247,131.00)</b>
<b>Total TRS</b>				<b>(247,131.00)</b>

### Summary of net assets

	Market value in EUR	% NAV
<b>Total securities portfolio</b>	<b>7,867,704.07</b>	<b>94.91</b>
<b>Total financial derivative instruments</b>	<b>(247,131.00)</b>	<b>(2.98)</b>
<b>Cash at bank</b>	<b>675,002.25</b>	<b>8.14</b>
<b>Other assets and liabilities</b>	<b>(6,149.56)</b>	<b>(0.07)</b>
<b>Total net assets</b>	<b>8,289,425.76</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

Echiquier Entrepreneurs Small Cap Europe\* (in EUR)

Statement of Net Assets as at December 31, 2016

	Notes	EUR
<b>Assets</b>		
Investment in securities at cost		1,088.99
Unrealised appreciation / (depreciation) on securities		47.50
Investment in securities at market value	2.2, 9	1,136.49
Cash at bank		11.01
Prepaid expenses and other assets		4.72
<b>Total assets</b>		<b>1,152.22</b>
<b>Liabilities</b>		
Other payables		3.16
<b>Total liabilities</b>		<b>3.16</b>
<b>Net assets at the end of the period</b>		<b>1,149.06</b>

\* This Sub-Fund was launched on October 25, 2016.

Statement of Operations and Changes in Net Assets for the period ended December 31, 2016

	Notes	EUR
<b>Income</b>		
Other income	3	4.72
<b>Total income</b>		<b>4.72</b>
<b>Expenses</b>		
Management fees	3	3.15
Bank interest and charges		0.01
<b>Total expenses</b>	9	<b>3.16</b>
<b>Net investment income / (loss)</b>		<b>1.56</b>
<b>Net realised gain / (loss) for the period</b>		<b>1.56</b>
Net change in unrealised appreciation / (depreciation) on:		
Investments		47.50
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>49.06</b>
Proceeds received on subscription of shares		1,100.00
Net amount paid on redemption of shares		-
Net assets at the beginning of the period		-
<b>Net assets at the end of the period</b>		<b>1,149.06</b>

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the period	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the period
Class A (EUR)	-	1.00	-	1.00
Class G (EUR)	-	1.00	-	1.00

## Echiquier Entrepreneurs Small Cap Europe\* (in EUR)

## Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended Funds</b>				
6.79	ECHIQUIER ENTREPRENEURS-C	EUR	1,136.49	98.91
			<b>1,136.49</b>	<b>98.91</b>
			<b>1,136.49</b>	<b>98.91</b>
<b>Total securities portfolio</b>			<b>1,136.49</b>	<b>98.91</b>

## Summary of net assets

		% NAV
<b>Total securities portfolio</b>	<b>1,136.49</b>	<b>98.91</b>
<b>Cash at bank</b>	<b>11.01</b>	<b>0.96</b>
<b>Other assets and liabilities</b>	<b>1.56</b>	<b>0.13</b>
<b>Total net assets</b>	<b>1,149.06</b>	<b>100.00</b>

\* This Sub-Fund was launched on October 25, 2016.

## Notes to the Financial Statements as at December 31, 2016

### Note 1 - General information

ECHIQUIER FUND (the "SICAV" or the "Company") is an Investment Company with Variable Capital incorporated on October 8, 2013 (date of incorporation) for an unlimited period as a *société anonyme* under Luxembourg law in accordance with the amended Law of August 10, 1915 on commercial companies as well as Part I of the Law of December 17, 2010, as amended, relating to Undertakings for Collective Investment.

The Company's Articles of Association were published in the "*Mémorial, Recueil des Sociétés et Associations*" (Gazette) on October 18, 2013.

The Company is registered in the Luxembourg Trade and Companies Registry under n° B 180 751.

All or part of the Sub-Funds of the Company may adopt a feeder investment policy in compliance with the provisions of the Investment Fund Law, with a view to invest at all times at least 85% of its assets in shares of a master UCITS.

All or part of the Sub-Funds of the Company may be feeder UCITS of funds which qualifies as master UCITS (the "Master Fund") as defined in the Investment Fund Law (these Sub-Funds will be referred hereunder as "Feeder Sub-Fund(s)"). In compliance with the relevant provisions of the Investment Fund Law, a Feeder Sub-Fund will at all times invest at least 85% of its assets in shares of a Master Fund. Any Feeder Sub-Fund may hold up to 15% of its assets in ancillary liquid assets, including cash, cash equivalents and short term bank deposits in accordance with the provisions of Article 41 (2) of the Investment Fund Law.

As at December 31, 2016, ten Sub-Funds (feeder) are active:

#### FEEDER FUNDS:

- Echiquier Agressor Fund
- Echiquier Agenor Mid Cap Europe
- Echiquier Arty Fund
- Echiquier Global Leaders
- Echiquier Major European Leaders
- Echiquier Patrimoine Fund
- Echiquier Value Fund
- Echiquier European Bonds
- Echiquier Low Vol\*
- Echiquier Entrepreneurs Small Cap Europe\*\*

#### MASTER FUNDS

- ECHIQUIER AGRESSOR
- ECHIQUIER AGENOR
- ECHIQUIER ARTY
- ECHIQUIER GLOBAL
- ECHIQUIER MAJOR
- ECHIQUIER PATRIMOINE
- ECHIQUIER VALUE
- ECHIQUIER OBLIG
- None
- ECHIQUIER ENTREPRENEURS

\* This Sub-Fund has changed its structure from Feeder Fund to Classic Sub-Fund on October 25, 2016.

\*\* This Sub-Fund was launched on October 25, 2016.

Classes	Income policy	Currency	Investors
I (EUR)	Accumulation	EUR	Institutional investors
G (EUR)	Accumulation	EUR	Financial intermediaries
A (EUR)	Accumulation	EUR	All investors
R (EUR)	Accumulation	EUR	All investors
D (EUR)	Income	EUR	All investors

The main objective of the Company is to provide a range of Sub-Funds (hereinafter referred to individually as "Sub-Fund" and collectively as the "Sub-Funds") combined with active professional management to diversify investment risk and satisfy the needs of investors seeking income, capital conservation and longer term capital growth.

### Note 2 - Principal accounting methods

The financial statements of the SICAV are established in accordance with the regulatory provisions and accounting practices generally accepted in the Grand Duchy of Luxembourg.

#### 2.1 Conversion of foreign currencies

The combined financial statements are expressed in Euro (EUR) by converting the financial statements of the Sub-Funds denominated in currencies other than Euro (EUR) at the rate of exchange prevailing at the end of the year.

The accounts of each Sub-Fund are kept in the currency of its net asset value and the financial statements are expressed in the same currency.

The acquisition cost of securities purchased in a currency other than that of the Sub-Fund is converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the date on which the securities are acquired.

## Notes to the Financial Statements as at December 31, 2016 (continued)

### Note 2 - Principal accounting methods (continued)

#### 2.1 Conversion of foreign currencies (continued)

Income and expenses denominated in a currency other than that of the Sub-Fund are converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the transaction date.

Foreign exchange gains and losses resulting from this conversion are recorded in the Statement of Operations and Changes in net Assets.

#### 2.2 Valuation of investments

1. Transferable securities and money market instruments admitted to official listing on a stock exchange or dealt with in on another market in an OECD member country which is regulated, operates regularly and is recognised and open to the public provided, are valued on the basis of the last known price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establish the probable sales price for such securities;

2. Non-listed securities are valued on the basis of their probable sales price as determined in good faith by the Board of Directors or its delegate;

3. Shares or units of UCITS (including any Master Fund) or other UCIs are valued at the latest available net asset value per share;

4. Liquid assets are valued at their nominal value plus accrued interest;

5. Derivatives are valued at market value;

6. The Board of Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, it considers that such adjustment is required to reflect the fair value thereof;

7. If the Board of Directors deems it necessary, a specific investment may be valued under an alternative method of valuation chosen by the Board of Directors.

8. Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives")

#### 2.3 Expenses

The Company may bear the following expenses, at the Board of Directors discretion:

- all fees to be paid to the Management Company, the Central Administration, the Investment Manager(s) (if any), the Investment Advisor(s) (if any), the Depository Bank and any other agents that may be employed from time to time;
- all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- standard brokerage and bank charges incurred on the Company's business transactions;
- all fees due to the Auditor and the Legal Advisors;
- all expenses connected with publications and supply of information to Shareholders, in particular and where applicable, the cost of drafting, printing, translating and distributing the annual and semi-annual reports, as well as any prospectuses and key investor information documents;
- all expenses involved in registering and maintaining the Company registered with all governmental agencies and stock exchanges;
- the remuneration of the Directors, the insurance of Directors if any, and their reasonable out-of-pocket expenses;
- all other fees and expenses incurred in connection with its operation, administration, management and distribution.

All recurring expenses will be charged first against current income, then should this not be sufficient, against realised capital gains, and, if need be, against assets.

Each Sub-Fund shall amortise its own expenses of establishment over a period of five years as of the date of its creation. The expenses of first establishment will be exclusively charged to the Sub-Funds opened at the incorporation of the Company and shall be amortised over a period not exceeding five years.

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Company will be charged to all Sub-Funds in proportion to their average Net Asset Value. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

The different Sub-Funds of the Company have a common generic denomination and one or several investment advisors and/or investment managers. The Board of Directors of the Company determines their investment policy and its application to the different Sub-Funds in question. Under Luxembourg law, the Company including all its Sub-Funds is regarded as a single legal entity. However, pursuant to article 181 of the Investment Fund Law, as amended, each Sub-Fund shall be liable for its own debts and obligations. In addition, each Sub-Fund will be deemed to be a separate entity having its own contributions, capital gains, losses, charges and expenses.

**Notes to the Financial Statements as at December 31, 2016 (continued)**

**Note 2 - Principal accounting methods (continued)**

**2.3 Expenses (continued)**

The Company is required to indemnify, out of its assets only, officers, employees and agents of the Company, if any, and the Board of Directors for any claims, damages and liabilities to which they may become subject because of their status as managers, officers, employees, agents of the Company or Board of Directors, or by reason of any actions taken or omitted to be taken by them in connection with the Company, except to the extent caused by their gross negligence, fraud or willful misconduct or their material breach of the provisions of the Prospectus.

As at December 31, 2016, for feeder funds, all expenses are supported by the Management Company except for Management fees, transaction costs, bank interest and charges, printing and publication fees.

**2.4 Financial derivative instruments**

If case of use of total return swaps or other financial derivative instruments with the same characteristics, the Company will insert in its Prospectus the following:

- information on the underlying strategy and composition of the investment portfolio or index;
- information on the counterparty(ies) of the transactions;
- a description of the risk of counterparty default and the effect on investor returns;
- the extent to which the counterparty assumes any discretion over the composition or management of the Company's investment portfolio or over the underlying of the financial derivative instruments, and whether the approval of the counterparty is required in relation to any Company investment portfolio transaction; and
- the identification of the counterparty being considered as an investment manager.

Echiquier Low Vol shall use standard and very liquid derivatives instruments combined in a market risk limitation strategy entered with a financial counterparty. The implementation of this systematic strategy with derivative instruments on equity indexes may result in an imperfect hedging against movements of the equity markets. The imperfect hedging may notably be a consequence of the differences between the fund's and the Eurostoxx index compositions at any time.

**Note 3 - Management fees and performance fees**

The Investment Manager receives management fees corresponding to a rate per annum of the average NAV of each active share class of each Sub-Fund as indicated below:

Sub-Funds	Classes	Management fee Feeder	Management fee Master Fund		Rebate by the Management Company*
Echiquier Agressor Fund (EUR, USD, CHF, GBP)	G	Max 1.35%	Max 2.392%	Min 95%	None
Echiquier Agressor Fund (EUR, USD, CHF, GBP)	A	Max 2.392%	Max 2.392%	Min 95%	None
Echiquier Agressor Fund (EUR, USD, CHF, GBP)	I	Max 1.00%	Max 2.392%	Min 95%	None
Echiquier Agenor Mid Cap Europe (EUR, USD, CHF, GBP)	G	Max 1.35%	Max 2.392%	Min 95%	None
Echiquier Agenor Mid Cap Europe (EUR, USD, CHF, GBP)	A	Max 2.392%	Max 2.392%	Min 95%	None
Echiquier Arty Fund (EUR, USD, CHF, GBP)	A	Max 1.50%	Max 1.50%	Min 95%	None
Echiquier Arty Fund (EUR, USD, CHF, GBP)	G	Max 2.00%	Max 1.50%	Min 95%	None
Echiquier Arty Fund (EUR, USD, CHF, GBP)	I	Max 0.90%	Max 1.50%	Min 95%	None
Echiquier Arty Fund (EUR, USD, CHF, GBP)	D	Max 1.50%	Max 1.50%	Min 95%	None
Echiquier Global Leaders (EUR, USD, CHF, GBP)	G	Max 1.35%	Max 2.392%	Min 95%	None
Echiquier Global Leaders (EUR, USD, CHF, GBP)	A	Max 2.392%	Max 2.392%	Min 95%	None
Echiquier Major European Leaders (EUR, USD, CHF, GBP)	G	Max 1.35%	Max 2.392%	Min 95%	None
Echiquier Major European Leaders (EUR, USD, CHF, GBP)	A	Max 2.392%	Max 2.392%	Min 95%	None
Echiquier Patrimoine Fund (EUR, USD, CHF, GBP)	A	Max 1.196%	Max 1.196%	Min 95%	None
Echiquier Patrimoine Fund (EUR, USD, CHF, GBP)	G	Max 0.85%	Max 1.196%	Min 95%	None
Echiquier Value Fund (EUR, USD, CHF, GBP)	A	Max 2.392%	Max 2.392%	Min 95%	None

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 3 - Management fees and performance fees (continued)

Sub-Funds	Classes	Management fee Feeder	Management fee Master Fund	Rebate by the Management Company*	Performance Fee**
Echiquier European Bonds (EUR, USD, CHF, GBP)	A	Max 1.00%	Max 1.00%	Min 95%	None
Echiquier Entrepreneurs Small Cap Europe (EUR, USD, CHF, GBP)	G	Max 1.35%	Max 2.392%	Min 95%	None
Echiquier Entrepreneurs Small Cap Europe (EUR, USD, CHF, GBP)	A	Max 2.392%	Max 2.392%	Min 95%	None

\*All or a portion of management fees charged at the level of the Master Fund are rebated to the Feeder Sub-Fund by the Management Company and the management fee payable by the Sub-Fund for each Class offered is set at such rates so as to ensure that, for any given Class, the aggregate amount of the management fee for that Class and the management fee payable at the level of the Master Fund for the Class in which the Sub-Fund invests corresponds to the management fee that would have been paid by an investor investing directly in that same share Class of the Master Fund.

\*\* Corresponds to the outperformance against the corresponding Index, calculated with dividends reinvested. If the Sub-Fund underperforms the Index, this provision is adjusted in the form of a reversal. A provision reversal may not exceed the value of the provision. Variable management fees charged by the Management Company are paid annually, on the last trading day of December. Variable management fees are chargeable only if the net asset value at the end of the year is higher than the initial nominal value for the first year, and on the net asset value at the start of the year for subsequent years. In the event Shares are redeemed and a provision for variable management fee exists, the part proportional to the Shares reimbursed is paid semi-annually to the Management Company. Since May 12, 2014, there is no longer performance fees charged on any share classes of relative Master Funds.

The Sub-Fund Echiquier Low Vol changed the structure from Feeder Fund to Classic Sub-Fund on October 25, 2016 with the following rates of the Management fees:

	Classes	Management fee	Performance fee
Echiquier Low Vol (EUR)	A	Max 2.00%	None
Echiquier Low Vol (EUR)	I	Max 1.30%	None

The rebates on the management fees of the Master funds are presented under the caption "Other income".

Sub-Funds	Index
Echiquier Agressor Fund	MSCI Europe Index
Echiquier Agenor Mid Cap Europe	MSCI Europe Small Cap Index
Echiquier Arty Fund	25% EONIA capitalised + 25% MSCI EUROPE + 50% IBOXX EURO CORPORATE 3-5
Echiquier Global Leaders	MSCI All Country World Index
Echiquier Major European Leaders	MSCI Europe Index
Echiquier Patrimoine Fund	None
Echiquier Value Fund	MSCI EUROPE MID CAP VALUE Index
Echiquier European Bonds	IBOXX EURO CORPORATE 3-5 YEARS Index
Echiquier Low Vol	MSCI Europe Index (until October 25, 2016 date of the change of structure)
Echiquier Entrepreneurs Small Cap Europe	MSCI MicroCap Europe Index

Note 4 - Custodian fees and Administration fees

In consideration of its services as Depositary Bank, BNP Paribas Securities Services – Luxembourg Branch will receive a depositary fee out of the assets of the Company calculated on the average NAV of each class as follows.

Daily NAV - Fees intended for funds issuing one class of shares	
EUR 12,000 per annum for each Sub-Fund	
Fees will increase by	
Additional share class (from the second)	EUR 200 per month
Hedge share class	EUR 400 per month

For the preparation of the annual and semi-annual reports for the Sub-Fund in the language of the prospectus, EUR 500 per annum and per Sub-Fund subject to a minimum of EUR 5,000 per SICAV (umbrella) will be charged.



**Notes to the Financial Statements as at December 31, 2016 (continued)****Note 4 - Custodian fees and Administration fees (continued)**

The fees, charges and expenses associated with such investment are an annual management fee and other expenses of the Master Fund, as described in its prospectus. Details on the actual charges and expenses incurred at the level of the Master Fund are available on the website of the Management Company at [www.finechiquier.fr/en/](http://www.finechiquier.fr/en/). The KIIDs issued for each Share Class also contain additional information on ongoing charges incurred by the Company (aggregated with the charges incurred at the level of the Master Fund).

In compliance with the provisions of point IX C) of section 4.2 under Chapter 4 “Investment Objectives and Policies” above, no subscription or redemption fees will be charged to the Sub-Fund when investing in the Master Fund.

**Note 5 - Taxation**

The Company is subject to the Luxembourg tax laws.

Under Luxembourg law, there are currently no Luxembourg taxes on income, withholding or capital gains by the Company. The Company is, however, subject to a *taxe d'abonnement* of 0.05% per annum, calculated and payable quarterly, on the aggregate Net Asset Value of the outstanding shares of the Company at the end of each quarter. This annual tax is however reduced to 0.01% on the aggregate Net Asset Value of the shares dedicated to institutional investors.

**Note 6 - Management Company fees**

In consideration of its investment management, administration and distribution services, the Management Company is entitled to receive management, distribution and performance fees as indicated in the Note 3. These fees shall be calculated based on the net asset value of the Sub-Funds and shall be paid quarterly in arrears.

**Note 7 - Exchange rates as at December 31, 2016**

The reference currency of the SICAV is EURO.

**Note 8 - Changes in the composition of the securities portfolio**

The list of changes in the composition of the portfolio is available to shareholders at the office of the Custodian Bank and at the registered office of the SICAV.

**Note 9 - Master – Feeder**

All or part of the Sub-Funds of the Company may adopt a feeder investment policy in compliance with the provisions of the Investment Fund Law, with a view to invest at all times at least 85% of its assets in shares of a master UCITS.

All or part of the Sub-Funds of the Company may be feeder UCITS of funds which qualifies as master UCITS (the “Master Fund”) as defined in the Investment Fund Law (these Sub-Funds will be referred hereunder as “Feeder Sub-Fund(s)”). In compliance with the relevant provisions of the Investment Fund Law, a Feeder Sub-Fund will at all times invest at least 85% of its assets in shares of a Master Fund. Any Feeder Sub-Fund may hold up to 15% of its assets in ancillary liquid assets, including cash, cash equivalents and short term bank deposits in accordance with the provisions of Article 41 (2) of the Investment Fund Law.

Policy and objectives of the Master Funds:

Echiquier Agressor, Echiquier Agenor, Echiquier Global and Echiquier Major are dynamic funds that are looking for long term performance through exposition on, European equity markets or increasing values of international markets (for Echiquier Global).

Echiquier Arty is a fund that is looking for mid-term performance through an opportunist management on interest rates markets and equity markets.

Echiquier Patrimoine is a fund that is looking for the most regular raise possible of capital, by exposition to the evolution of interest rates markets and equity markets.

**Notes to the Financial Statements as at December 31, 2016 (continued)**

**Note 9 - Master – Feeder (continued)**

Policy and objectives of the Master Funds:

Echiquier Value is a dynamically managed fund whose investment objective is long-term performance through exposure to Euro Zone equity markets. Echiquier Oblig is a UCITS of "Bonds and other Debt Securities Denominated in Euros" classification whose objective is to generate similar performance to or to outperform the IBOXX EURO CORPORATE 3-5 YEARS index.

The legal investment rules applicable to the FCP are those managing the UCITS whose assets represent less than 10% in other UCITS.

Feeder UCITS percentage ownership share of the Master UCITS and total expenses of the Master UCITS aggregated with the total expenses of the Feeder UCITS as at December 31, 2016:

Sub-Fund	Total expenses Master	Total expenses Feeder	Master's NAV	Feeder's investment in Master	% ownership
Echiquier Agressor Fund	30,655,692.05	118,616.01	1,325,075,385.60	6,659,573.40	0.51%
Echiquier Agenor Mid Cap Europe	8,376,941.73	3,007.45	395,918,997.22	129,465.40	0.03%
Echiquier Arty Fund	14,632,897.13	291,981.72	1,077,247,105.52	18,189,708.58	1.70%
Echiquier Global Leaders	2,570,363.60	157.93	111,278,245.51	7,566.23	0.01%
Echiquier Major European Leaders	15,507,862.20	935,124.78	1,080,855,257.24	30,669,512.79	2.85%
Echiquier Patrimoine Fund	7,350,641.79	36,062.42	588,260,790.00	1,150.56	0.00%
Echiquier European Bonds	797,087.78	10.59	101,381,098.26	1,031.23	0.00%
Echiquier Value Fund	7,847,771.08	2,620.84	473,210,476.89	86,424.08	0.02%
Echiquier Entrepreneurs Small Cap Europe	4,038,778.17	3.16	268,745,938.95	1,136.49	0.00%

The semi-annual and annual statements of the Master Fund are available free of charges at the Management Company's office.

**Note 10 – Transaction costs**

For the year ended December 31, 2016, and for the Sub-Fund Echiquier Low Vol, the Company incurred transaction costs which have been defined as brokerage fees, any other fees and commissions arising from transactions and certain custodian fees relating to the purchase and sale of transferable securities, money market instruments or other eligible assets. The global amounts of transaction costs are taken into account through the Statement of Operations and Changes in Net Assets. In line with market practices for debt securities, the transaction fees are included in the spreads relating to the purchase and sale of transferable securities or money market instruments.

All these costs are included in the caption "Transaction costs".

No Transaction cost has been incurred by all Feeder-Funds for the year ended December 31, 2016.

**Note 11 – Financial derivatives instruments**

As at December 31, 2016, the sub-fund Echiquier Low Vol held a position in Total Return Swap with an underlying of basket of options. The underlying of this TRS is the index "SGI FE Enhanced Collar Portfolio" and is composed of long put and short call options in the index Eurostoxx 50. The counterparty of this position is Société Générale and the sub-fund did not receive or pay collateral.

**Note 12 – Dividends**

During the year ended December 31, 2016, the Sub-Fund Echiquier Arty Fund has distributed a dividend:

Sub-Fund	Ex-date	Amount per share	Total dividend in EUR
Echiquier Arty Fund Class D (EUR)	May 17, 2016	2.01 EUR	82,805.42

## Additional unaudited information

### Global Risk calculation method:

The Company uses a risk management process that allows monitoring the risk of the portfolio positions and their share of the overall risk profile of the portfolios on the managed funds at any time. In accordance with the amended Law of 17 December 2010 and the applicable regulatory requirements of the Commission de Surveillance du Secteur Financier ("CSSF") the Company reports to the CSSF on a regular basis on the risk management process. The Company uses the "Commitment Approach" method. Under this technique the positions of derivative financial instruments are converted into their corresponding underlying equivalents using the delta approach. Netting and Hedging might be considered for derivative financial instruments and their underlying assets. The sum of these underlying equivalents must not exceed the net asset value of the fund.

### Remuneration policy

Compensations: 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. The asset management company's compensation policy is also fully compliant with the economic strategy, objectives, values and interests of UCITS investors. This policy incorporates tailored measures to prevent potential conflicts of interests. The compensation policy has been set up in order to: □ Provide an active support to the asset management company's strategy and objectives □ Provide an active support to the asset management company's competitiveness on its operating markets □ Ensure the development, attractiveness 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 compensations policy are revised on a regular basis with regards to legislation 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). A written copy of the compensation policy is available for free on demand.

### Security Financing Transaction Regulation (SFTR)

At the date of the financial statements, Echiquier Fund is currently concerned by the requirements of the Securities Financing Transaction Regulation (SFTR) 2015/2365 on transparency of securities financing transactions and of reuse. The related disclosure will be included in the next annual financial statements.

