

## EXANE FUNDS 1

Investment company with variable capital  
(the "SICAV" or the "Company")  
60, avenue J.F. Kennedy,  
L-1855 Luxembourg  
Luxembourg Trade & Companies Register no. B-117.281

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Luxembourg, 6 September 2024

For the attention of the shareholders of the sub-fund Exane Overdrive Fund

Dear Shareholder,

We are pleased to inform you that the SICAV's Board of Directors (the "**Board**") has decided to make the following changes regarding the supplement to the Company prospectus (the "**Prospectus**") for the sub-fund Exane Overdrive Fund (the "**Sub-fund**"):

If any of the changes mentioned below do not correspond to your investment needs, kindly note that you can redeem your shares in the Sub-fund at any time with no redemption fees. Redemptions will be carried out in accordance with the terms of the Prospectus.

*Capitalised terms not otherwise defined herein shall have the same meaning as given in the Prospectus.*

### I. **Change in fixed and variable management fees (effective date: 7 October 2024)**

Fixed management fees for Class A (ISIN code: LU0923609035) and Class A USD (ISIN code: LU0923609118) are decreasing from a maximum annual rate of 2.00% to a rate of 1.25% of the Sub-fund's average net assets.

In addition to this decrease in fixed management fees, variable management fees are also changing for these same classes. Performance will no longer be compared to the risk-free rate (represented by the capitalised €STR index for Class A and the capitalised Fed Funds Effective Rate index for Class A USD) + 1%, however a variable management fee will be charged as soon as performance is greater than zero, in accordance with the Sub-fund's absolute performance objective.

This change is in accordance with the Sub-fund's absolute return objective, while remaining in line with investors' interests.

The performance of the Sub-fund during the reference period underway on the effective date of the change provided for in this notice will be compared to the benchmark index in force until the date of the change and then to zero thereafter. It is specified that the high-water mark will continue to be applied, i.e. a variable

management fee may only be activated above the high-water mark, defined for each share class as the highest of the net asset values per share reached during the Performance Reference Period (as defined in the Prospectus) at the end of each financial year.

## II. Clarification of the target investor profile (effective date: 7 October 2024)

In order to promote the marketing of the Sub-fund, the Management Company asked the Board of Directors to create a new Share Class for all investors. The Board of Directors decided to reiterate the leverage used to carry out the strategy and the associated risks in the target investor profile.

## III. Clarification of currency risk (effective date: 7 October 2024)

The Board decided to clarify the currency risk associated with the Sub-fund in order to remove the ancillary note and the associated daily monitoring. However, this removal has no impact on the risk profile of the Sub-fund, as hedging transactions are still being carried out to protect the Sub-fund against this risk.

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The Board specifies that none of the aforementioned changes alter the risk profile of the Exane Overdrive Fund, a sub-fund of the EXANE FUNDS 1 SICAV.

- Risk profile
  - Change in risk/return profile: NO
  - Increase in risk/return profile: NO
  
- Increase in fees: YES. Variable management fees will now be applied at a lower threshold.  
Fixed management fees were also lowered.

The share classes affected by these changes are as follows:

Sub-fund	Class	ISIN code
Exane Overdrive Fund	A	LU0923609035
	A USD	LU0923609118
	M	LU2747617095
	C	LU0923609209

The shareholders' right to request the redemption of their shares is not affected by the changes described above. On receipt of this notice, shareholders who do not agree with these changes may request that their shares be redeemed free of charge.

The Company's Prospectus, updated to reflect the changes set out above, as well as the key investor information documents, are available at [www.exane-am.com](http://www.exane-am.com). A paper version of these documents will be sent to you free of charge on request.

The Company's Prospectus, updated to reflect the changes set out above, as well as the key investor information documents, are available at [www.exane-am.com](http://www.exane-am.com). A paper version of these documents will be sent to you free of charge on request.

We would like to remind you of the importance of reading these documents.

Please contact the Management Company's investor relations department if you require any further information:

Tel.: + 33 1 88 87 87 04

Email: [relations.investisseurs@exane-am.com](mailto:relations.investisseurs@exane-am.com)

The Board of Directors  
Exane Funds 1

## Appendix 1 – Changes to the Exane Overdrive Fund supplement

	Previously	As of 07 October 2024
<b>Target investor profile</b>	The Sub-fund is intended for all types of investors and particularly Institutional Investors.	<p>The Sub-fund is intended for all types of investors and particularly Institutional Investors.</p> <p><b>The Sub-fund applies an investment strategy which may use leverage via derivative instruments. The Sub-fund is therefore intended for investors who understand the set of strategies and the associated risks (as described in section 4 below).</b></p>
<b>Currency risk</b>	The Sub-fund may, <b>on an ancillary basis</b> , be exposed to currency risk linked to assets held which are denominated in currencies other than its reference currency despite the hedging transactions aimed at protecting the Sub-fund against such risk.	The Sub-fund may be exposed to currency risk linked to assets held which are denominated in currencies other than its reference currency despite the hedging transactions aimed at protecting the Sub-fund against such risk
<b>Fixed management fee</b>	<p>Class A (LU0923609035): an annual rate of <b>2%</b> of the average net assets of the Sub-fund attributable to the Share Class;</p> <p>Class A-USD (LU0923609118): an annual rate of <b>2%</b> of the average net assets of the Sub-fund attributable to the Share Class.</p>	<p>Class A (LU0923609035): an annual rate of <b>1.25%</b> of the average net assets of the Sub-fund attributable to the Share Class;</p> <p>Class A-USD (LU0923609118): an annual rate of <b>1.25%</b> of the average net assets of the Sub-fund attributable to the Share Class.</p>
<b>Variable management fee</b>	<p>For Classes A and A-USD, the Management Company will also charge a variable management fee, with a High Water Mark applied, at the rate of 20% of the Sub-fund's annual outperformance beyond ("Minimum Rate 20"):</p> <ul style="list-style-type: none"> <li>– the capitalised €STR + 1%, for the portion of assets attributable to Class A shares;</li> <li>– the capitalised Fed Funds Effective Rate + 1% for the portion of assets attributable to Class A USD shares;</li> </ul> <p>[...]</p> <p>This fee is linked to the performance of the Sub-fund over a reference period (a "Reference Period"). The performance fee is provisioned each Valuation Day and paid annually at the end of each Reference Period.</p> <p>The Reference Periods are annual and correspond to the financial years of the Sub-fund. As an exception, if a new share class is created during the year, the Reference Period is increased by a period equal to the remainder of the financial year underway on the creation date.</p> <p>The net asset value applicable to each Reference Period is the last net asset value of the previous period.</p> <p><b>"Crystallisation frequency"</b>: frequency at which the accrued variable management fee provision, if any, will be definitively retained by the Management Company. It is set at one (1) year. As an exception, in the event of a new share class, the minimum crystallisation frequency for the first Reference Period is increased by a period equal to the remainder of the financial year underway on the creation date.</p> <p>The crystallisation date is at the end of the financial year. Calculations are validated once a year at the end of the financial year.</p>	<p>For Classes A, B and A-USD, the Management Company will also charge a variable management fee, with a High Water Mark applied, at the rate of 20% of the Sub-fund's annual positive performance on the portion of assets attributable to Class A, B and A-USD shares.</p> <p>[...]</p> <p>The variable management fee is provisioned each Valuation Day and paid based on the annual crystallisation frequency at the end of each financial year.</p> <p>As an exception, in the event of a new share class, the first performance reference period is increased by a period equal to the remainder of the financial year underway on the creation date and the crystallisation date takes place at the end of the financial year following the year of creation of the share class concerned.</p> <p><b>Calculation of the variable management fee</b></p> <p>The variable management fee is only activated and applied above the High Water Mark.</p> <p>The High Water Mark ("<b>High-Water Mark</b>") is defined for each share class as the highest of the net asset values per share reached during the Performance Reference Period (defined below) at the end of each financial year. In the event a share class is created, the initial High Water Mark will be equal to the net asset value on the creation date.</p> <p>The Performance Reference Period is five (5) years and corresponds to the period during which offsetting applies to past underperformance, and at the end of which this offsetting can be reset. This means that any underperformance of the Sub-fund is carried forward for a period of five (5) years and must be offset in that period before a management fee can be provisioned and paid. The Performance Reference Period begins on the date of creation of the Sub-fund or share class or on the date on which an outperformance fee was last crystallised. As an exception, in the event a sub-fund or share class is created, the first performance reference</p>

	Previously	As of 07 October 2024
	<p>In the event of redemption during a Reference Period, the portion of the performance fee associated with the redeemed shares will be crystallised and will consequently remain payable to the Management Company. The crystallised portion of the performance fee will be paid to the Management Company at the end of the quarter under consideration.</p> <p>In addition, no variable management fee will be crystallised when the Sub-fund or a Share Class is merged with a newly created absorbing UCITS or sub-fund with no track record and whose investment policy is not substantially different from that of this Sub-fund. In this case, the Reference Period of the Sub-fund will continue to apply within the absorbing UCITS or sub-fund.</p> <p>The variable management fee is only activated and applied above the High Water Mark, defined as the highest of the closing net asset values of the five previous Reference Periods.</p> <p>The details of the variable management fee are described below. However, shareholders may obtain the methodology for calculating the variable management fee from the Management Company at any time.</p> <p><b>Example:</b> When the Sub-fund's performance is positive, it has outperformed the capitalised €STR index +1% and the net asset value exceeds the High Water Mark, a provision is made for a variable management fee.</p> <p>It corresponds to (i) 20% for classes A and A-USD, or (ii) 30% for class M, of the lower of the following two amounts:</p> <ul style="list-style-type: none"> <li>- the Sub-fund's outperformance, defined as the difference between the Sub-fund's net assets before variable management fees ("VMFs") and the net assets of a virtual fund with the same net assets at the beginning of the year, subject to the same subscriptions and redemptions and achieving the exact same performance as the Minimum Rate</li> <li>- the difference between the net assets of the Sub-fund before VMFs and the High Water Mark.</li> </ul>	<p>period is increased by a period equal to the remainder of the financial year underway on the creation date.</p> <p>When the annual performance of the Sub-fund is greater than (i) zero for Classes A, B and A-USD or (ii) the capitalised €STR for Class M ((i) and (ii) being hereinafter designated as the "<b>Threshold</b>"), and the net asset value per share is greater than the High Water Mark, a provision is made for a variable management fee.</p> <p>It corresponds to (i) 20% for classes A, B and A-USD, or (ii) 30% for class M, of the lesser of:</p> <ul style="list-style-type: none"> <li>- the difference between the net asset value per share of the Sub-fund before variable management fees and the Threshold; and</li> <li>- the difference between the net asset value per share of the Sub-fund before variable management fees and the High Water Mark.</li> </ul> <p>In the event of a redemption, the portion of the performance fee associated with these shares will be crystallised and will consequently remain payable to the Management Company. The crystallised portion of the performance fee will be paid to the Management Company at the end of the quarter under consideration.</p> <p>However, no variable management fee will be crystallised when the Sub-fund or a Share Class is merged with a newly created absorbing UCITS or sub-fund with no track record and whose investment policy is not substantially different from that of this Sub-fund. In this case, the Performance Reference Period of the Sub-fund will continue to apply within the absorbing UCITS or sub-fund.</p> <p>The details of the variable management fee are described below. However, shareholders may obtain the methodology for calculating the variable management fee from the Management Company at any time.</p> <p><b>Example:</b> <i>[New illustrative example...]</i></p>