

# H2O ADAGIO SP

## PROSPECTUS

DATED 1 SEPTEMBER 2021

NOTICE: this UCITS was demerged in accordance with Article L.214-8-7 of the French Monetary and Financial Code

**The UCITS has been in liquidation since 1 October 2020 (day of the demerger) and aims to run off its assets. The liquidation of the UCITS will be finalised as soon as the recovery of all of its illiquid assets has been completed.**

The UCITS was demerged on the basis of its estimated value on 30 September 2020, in accordance with the conditions set out in Article L.214-8-7 of the French Monetary and Financial Code.

All of the liquid assets of the UCITS have been transferred into a new UCITS, "H2O ADAGIO FCP", a fund that replicates the UCITS as at 1 October 2020.

The UCITS is in a gradual liquidation and has retained all of the illiquid assets in its portfolio, the disposal of which is not in the interest of the unitholders. The UCITS is managed in run-off mode: it aims firstly to liquidate assets under the best conditions for unitholders and secondly to invest available cash pending the reimbursement of unitholders or the payment of expenses related to the operation of the UCITS or the recovery of assets.

Any active management of the UCITS is prohibited. Only acts of management that are intended to protect the interests of the unitholders and to ensure the dissolution of the UCITS under the conditions defined above are authorised.

For the purposes of the gradual liquidation of the UCITS, and in the interest of the unitholders, the investment rules for UCITS laid down in the French Monetary and Financial Code may not be followed.

The UCITS may not be subscribed to and/or redeemed. Because the UCITS is being managed in run-off mode, it will not make any distributions; the distributable result of distribution D units will be fully capitalised.

Units of the UCITS will be redeemed as and when its assets are disposed of, or at a later date, after deduction of operating and asset recovery costs. Indeed, the UCITS must ensure that it holds the cash required to manage its assets in run-off mode.

An estimated value of the UCITS, above which units cannot be subscribed or redeemed, is established on the last trading day of the Paris Stock Exchange of each month, unless that falls on a French public holiday. In such cases, the estimated value will be calculated on the trading day preceding the holiday.

From 31 December 2020:

**The Management Company of the Fund is:**

H2O AM EUROPE

39 Avenue Pierre 1er de Serbie, 75008 Paris, France

The Management Company is acting as the Fund's liquidator. To that end, the liquidator is vested with the broadest powers to realise the assets, pay any creditors and distribute the available balance among the unitholders in cash or securities.

The Portfolio Management Company's decision to delegate duties to third parties does not affect the liability of the Management Company or that of the Depositary.

The Q(C) unit is split into ten-thousandths of a unit.

The new ISIN codes are as follows:

Units	ISIN codes
R	FR0013534898
I	FR0013534914
HSGD-R (C)	FR0013534922
HUSD-R (C)	FR0013534930
HCHF-R (C)	FR0013534948
HUSD-I (C)	FR0013534955
HCHF-I (C)	FR0013534963
HGBP-I (C)	FR0013534989
HGBP R (C)	FR0013534997
HAUD-I (C)	FR0013535002
HJPY I	FR0013535036
N(C)	FR0013535044
HGBP I-(B)-(C)	FR0013535135
EUR I (C/D)	FR0013535051
HCHF-N (C)	FR0013535069
SR (EUR)	FR0013535077
HSGD SR	FR0013535085
HUSD SR	FR0013535093
HCHF SR	FR0013535119
Q (C)	FR0013535127

The information set out below is the prospectus information that was applicable prior to the demerger.

#### I GENERAL FEATURES

**NAME: H2O ADAGIO SP**

Hereinafter referred to in this document as “the Fund” or “UCITS” or “the Fund”.

**LEGAL FORM AND COUNTRY IN WHICH THE UCITS WAS ESTABLISHED:**

French mutual fund (FCP).

**INCEPTION DATE AND EXPECTED DURATION:**

The Fund was created on 23 August 2010 for a period of 99 years.

□ **DATE OF APPROVAL BY AMF:**

The Fund was approved by the *Autorité des marchés financiers* (AMF), the French Financial Markets Authority, on 6 August 2010.

□ **SUMMARY OF THE MANAGEMENT OFFERING:**

Unit classes	Target subscribers	Minimum initial subscription	Minimum subsequent subscription	ISIN code	Allocation of distributable income	Base currency	Initial net asset value
EUR-R (C) unit	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0010923359	Accumulation	EUR	EUR 100
HUSD-R (C) unit*	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0011981745	Accumulation	USD	USD 100
HCHF-R unit (C)***	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0011981752	Accumulation	CHF	CHF 100
HSGD-R (C) unit**	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0011981711	Accumulation	SGD	SGD 100
HGBP-R (C) unit****	All subscribers, although private individuals in particular	GBP 100	1 ten-thousandth of a unit	FR0012489730	Accumulation	GBP	GBP 100
EUR-Q (C) units	Subscriptions in this unit are reserved to employees of the H2O AM Group	EUR 20,000	One unit	FR0013425287	Accumulation	EUR	EUR 20,000
EUR-I (C) unit	All subscribers, although institutional investors in particular	EUR 100,000	1 ten-thousandth of a unit	FR0010929794	Accumulation	EUR	EUR 50,000
EUR-I (C/D) unit	All subscribers, although institutional investors in particular	EUR 100,000	1 ten-thousandth of a unit	FR0012916682	Accumulation / Distribution	EUR	EUR 50,000
HUSD-I (C)* unit	All subscribers, although institutional investors in particular	USD 100,000	1 ten-thousandth of a unit	FR0011981786	Accumulation	USD	USD 50,000
HCHF-I (C)	All subscribers, although institutional	CHF 100,000	1 ten-thousandth of	FR0011981794	Accumulation	CHF	CHF 50,000

unit***	investors in particular		a unit				
HSGD-I (C) unit**	All subscribers, although institutional investors in particular	SGD 100,000	1 ten- thousandth of a unit	FR0011981778	Accumulation	SGD	SGD 50,000
HGBP-I (C) unit****	All subscribers, although institutional investors in particular	GBP 100,000	1 ten- thousandth of a unit	FR0011981810	Accumulation	GBP	GBP 50,000
HAUD-I (C) unit*****	All subscribers, although institutional investors in particular	AUD 150,000	1 ten- thousandth of a unit	FR0013186756	Accumulation	AUD	AUD 100
EUR- N(C) unit	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate	1 ten-thousandth of a unit	1 ten- thousandth of a unit	FR0013186772	Accumulation	EUR	EUR 100
HGBP-N (C) unit ****	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate	1 ten-thousandth of a unit	1 ten- thousandth of a unit	FR0013321700	Accumulation	GBP	GBP 100
HCHF-N (C) unit ***	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate	1 ten-thousandth of a unit	1 ten- thousandth of a unit	FR0013321692	Accumulation	CHF	CHF 100

HUSD-N (C) unit *	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate.	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013321684	Accumulation	USD	USD 100
HJPY-I (C) unit*****	All subscribers, although institutional investors in particular	JPY 15,000,000	1 ten-thousandth of a unit	FR0013186764	Accumulation	JPY	JPY 10,000
HGBP-I- (B)-(C) unit****	All subscribers, although institutional investors in particular	GBP 100 000	None	FR0013239720	Accumulation	GBP	GBP 100
HGBP-I- (A) (C) unit****	All subscribers, although institutional investors in particular	GBP 100 000	1 ten-thousandth of a unit	FR0013424702	Accumulation	GBP	GBP 100
HUSD- SI (C) unit*	Institutional investors	USD 100,000,000	1 ten-thousandth of a unit	FR0013284437	Accumulation	USD	USD 100,000
EUR-M (D) unit	Reserved for feeder UCITs managed by the Management Company or another Group company	EUR 10,000	1 ten-thousandth of a unit	FR0013352028	Distribution	EUR	EUR 100
Part EUR-SR (C)	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013393188	Accumulation	EUR	100 euros
Part HSGD- SR (C) **	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013393196	Accumulation	SGD	100 SGD
Part HUSD- SR (C) *	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013393204	Accumulation	USD	100 USD
Part HCHF- SR***	All subscribers, although private individuals in particular	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013393212	Accumulation	CHF	100 CHF

\* Unit systematically hedged against EUR/USD exchange rate risk

\*\* Unit systematically hedged against EUR/SGD exchange rate risk

\*\*\* Unit systematically hedged against EUR/CHF exchange rate risk

\*\*\*\* Unit systematically hedged against EUR/GBP exchange rate risk

\*\*\*\*\* Unit systematically hedged against EUR/AUD exchange rate risk

\*\*\*\*\* Unit systematically hedged against EUR/JPY exchange rate risk

**ADDRESS FROM WHICH THE LATEST ANNUAL AND INTERIM REPORTS AND ASSET COMPOSITION CAN BE OBTAINED:**

The latest annual reports and portfolio statements will be sent to the unitholder within eight business days of receiving a written request addressed to:

H2O AM LLP  
10 Old Burlington Street  
London W1S 3AG, United Kingdom  
Email: [info@h2o-am.com](mailto:info@h2o-am.com)

Further information may be obtained from H2O AM LLP at the above address, or from your usual adviser.

□ **INFORMATION FOR PROFESSIONAL INVESTORS:**

The Management Company may send the breakdown of the UCI's portfolio to investors classified as professional investors by the ACPR, the AMF or equivalent European authorities, for the sole purpose of calculating regulatory requirements under Directive 2009/138/EC (Solvency II).

## II KEY PARTIES

□ **MANAGEMENT COMPANY:**

H2O AM LLP

Legal form: *Limited liability partnership* under English law.

Authorised by the *Financial Conduct Authority* of the United Kingdom under number 529105

10 Old Burlington Street

London W1S 3AG, United Kingdom

□ **DEPOSITARY CUSTODIAN**

Company name: CACEIS BANK

Legal form: Credit institution approved by the CECEI (French Credit Institutions and Investment Firms Committee)

Registered office: 1-3 Place Valhubert, 75013 Paris

Postal address: 1-3 Place Valhubert, 75206 Paris Cedex 13

The Depositary performs its duties in accordance with the applicable provisions of the laws and regulation and the depositary agreement entered into with the Management Company. This includes ensuring the lawfulness of the decisions of the Management Company. It must, if necessary, take any protective measures it deems necessary. In case of dispute with the Management Company, it informs the Financial Markets Authority.

The Depositary is independent from the Management Company.

The description of the delegated custody functions, the list of delegates and delegates of CACEIS Bank in France and the information relating to conflicts of interest that may result from these delegations are available on the website of CACEIS: [www.caceis.com](http://www.caceis.com).

Updated information is made available to investors by the depositary upon request.

□ **CLEARING HOUSE:**

Company name: CACEIS BANK

Legal form: Credit institution approved by the CECEI (French Credit Institutions and Investment Firms Committee)

Registered office: 1-3 Place Valhubert, 75013 Paris

Postal address: 1-3 Place Valhubert, 75206 Paris Cedex 13

The Management Company has delegated to CACEIS Bank the Fund's liability accounting and unit registration functions which is thus responsible for the clearing and processing of subscription and redemption requests relating to the Fund's units.

□ **PRIME BROKER:**

None

□ **STATUTORY AUDITOR:**

Cabinet KPMG AUDIT

Represented by Mrs Isabelle BOUSQUIE

Registered office: Tour EQHO 2 Avenue Gambetta CS 60055 92066 Paris La Defense Cedex

Distributors:

### **NATIXIS INVESTMENT MANAGERS S.A.**

A limited company and management company created under Luxembourg law, listed in the Luxembourg Trade and Companies Register under number B115843, which has its registered office located at 2 rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

The marketing agent is the entity that markets the Fund. The Fund's Management Company would like to remind subscribers that not all marketing agents are appointed by or known to the company.

#### **REPRESENTATIVES:**

##### **Party responsible for accounting:**

Company name: CACEIS Fund Administration, which provides the Fund's accounting management and valuation on behalf of H2O AM LLP

Registered office: 1-3 Place Valhubert, 75013 Paris

Postal address: 1-3 Place Valhubert, 75206 Paris Cedex 13, France

Nationality: French

##### **Delegation of financial management:**

Company name: H2O AM ASIA PTE LTD

Legal form: private company limited by shares, authorised by the MAS [Monetary Authority of Singapore], the financial regulatory authority of Singapore

Registered office: 77 Robinson Road, #13-00, Robinson 77, Singapore (068896)

The delegation of financial management covers the assets invested in Asia as well as other assets outside business hours for European markets.

The Management Company has not identified any conflicts of interest that may arise from such arrangements.

## **III OPERATING AND MANAGEMENT CONDITIONS**

### **1 General features:**

#### **CHARACTERISTICS OF THE UNITS:**

- ◆ Rights associated with the class of units:

Each unitholder has co-ownership rights proportional to the number of units held.

Information on changes affecting the Fund is communicated to shareholders by any means in line with the instructions of the Autorité des Marchés Financiers, the French Financial Markets Authority, hereinafter "the AMF." Management of the Fund, which has no corporate personality and for which the rules concerning undivided ownership and companies have been waived, is carried out by the Management Company acting on behalf of the unitholders and in their exclusive interest.

- ◆ Entry in a register, or establishment of procedures for liability accounting:  
Liability accounting is handled by CACEIS BANK.  
The units are administered by EUROCLEAR France.

- ◆ Voting rights:

The units do not carry any voting rights. Management of the Fund is carried out by the Management Company, which acts on behalf of the holders and in their exclusive interest.

The Management Company's voting policy may be consulted at the Management Company's registered office or at [www.h2o-am.com](http://www.h2o-am.com).

- ◆ Type of units: bearer
- ◆ Division of units:

The R (C), HUSD-R(C), HCHF-R(C), HSGD-R(C), HGBP-R(C), I(C), I(C/D), HUSD-I(C), HCHF-I(C), HSGD-I(C), HGBP-I(C), HAUD-I(C), N(C), HGBP-N(C), HCHF-N(C), HUSD-N(C), HJPY-I(C), HGBP-I-B(C), HGBP-I-A(C), HUSD-SI(C), M(D), SR(C), HSGD-SR(C), HUSD-SR(C) and HCHF-SR(C) units are divided into ten-thousandths.

The Q (C) unit is not divided.

□ **FINANCIAL YEAR END:**

Last trading day in September.

The end of the first financial year was the last trading day in September 2011.

□ **INFORMATION ON THE TAXATION SYSTEM:**

The Fund is not subject to taxation in and of itself. Depending on your tax system, any capital gains and income related to the holding of any UCI shares or units may be subject to taxation. The applicable tax system therefore depends on the tax provisions regarding the unitholder's individual situation and place of residence. Investors are advised to consult their usual financial advisors for information on the procedures that personally apply to them. We recommend that you seek advice on this matter.

**2 Specific provisions**

□ **ISIN CODE:**

<b>Units</b>	<b>ISIN code</b>
EUR-I (C) unit	FR0010929794
EUR-I (C/D) unit	FR0012916682
HSGD-R (C) unit	FR0011981711
HUSD-R (C) unit	FR0011981745
HCHF-R (C) unit	FR0011981752
HGBP-R unit	FR0012489730
HSGD-I (C) unit	FR0011981778
HUSD-I (C) unit	FR0011981786
HCHF-I (C) unit	FR0011981794
HGBP-I (C) unit	FR0011981810
EUR-R unit	FR0010923359
EUR-Q unit	FR0013425287
HAUD-I (C) unit	FR0013186756
EUR-N (C) unit	FR0013186772
HJPY-I (C) unit	FR0013186764
HGBP-I(B) (C) unit	FR0013239720
HGBP-I(A) (C) unit	FR0013424702
HUSD-SI (C) unit	FR0013284437



HGBP-N (C) unit	FR0013321700
HCHF-N (C) unit	FR0013321692
HUSD-N (C) unit	FR0013321684
EUR-M (D) unit	FR0013352028
EUR-SR (C) unit	FR0013393188
HSGD-SR (C) unit	FR0013393196
HUSD-SR (C) unit	FR0013393204
HCHF-SR (C) unit	FR0013393212

□ **CLASSIFICATION:**

Bonds and other international debt securities.

**Holding of units or shares of other UCIs (UCITS or AIFs) or investment funds:**

The Fund invests up to 10% of its net assets in units or shares of other UCIs (UCITS or AIFs) or investment funds.

□ **MANAGEMENT OBJECTIVE:**

For EUR-R, EUR-Q, EUR-I (C), EUR-I (C/D), EUR-N, EUR-M and EUR-SR units

The Fund's objective is to outperform the daily capitalised EONIA index by 1.30% per year over its minimum recommended investment period for EUR-M units, by 1.25% per year over its minimum recommended investment period for EUR-Q units, by 1% per year over its minimum recommended investment period for EUR-I C and EUR-I C/D units, to outperform the daily capitalised EONIA index by 0.60% per year over its minimum recommended investment period for EUR-R units, by 0.45% per year over its minimum recommended investment period for SR units and to outperform the daily capitalised EONIA index by 0.90% per year over its minimum recommended investment period for EUR-N units, after the deduction of operating and management fees.

For HUSD-I, HUSD-R, HUSD-SI, HUSD-N, HUSD-SR units

The management objective is to outperform the 1-month USD LIBOR (London Interbank Offered Rate) by 1% over its minimum recommended investment period for HUSD-I and HUSD-SI units, by 0.60% over its minimum recommended investment period for HUSD-SR units and by 0.90% over its minimum recommended investment period for HUSD-N units and by 0.45% over its minimum recommended investment period for HUSD-SR units after the deduction of management and operating fees.

For HCHF-R, HCHF-I, HCHF-N and HCHF-SR units

The management objective is to outperform the 1-month CHF LIBOR (London Interbank Offered Rate) by 1% over its minimum recommended investment period for HCHF-I units, by 0.60% over its minimum recommended investment period for HCHF-R units and by 0.90% over its minimum recommended investment period for HCHF-R and HCHF-N units and by 0.45% over its minimum recommended investment period for HCHF-SR units after the deduction of management and operating fees.

For HSGD-I, HSGD-R and HSGD-SR units

The management objective is to outperform the 1-month SIBOR (Singapore Interbank Offered Rate) by 1% over its minimum recommended investment period for HSGD-I units and by 0.60% over its minimum

recommended investment period for HSGD-R units, by 0.45% over its minimum recommended investment period for HSGD-SR units after the deduction of management and operating fees.

For HGBP-R, HGBP-I, HGBP-I(B), HGBP-I(A) and HGBP-N units

The management objective is to outperform the 1-month GBP LIBOR (London Interbank Offered Rate) by 1% over its minimum recommended investment term for HGBP-R, HGBP-I, HGBP-I(B), HGBP-I(A) units and by 0.90% over its minimum recommended investment period for HGBP-N units, after the deduction of management and operating fees.

For HAUD-I units

The objective for the unit is to outperform the Australian 30-day Bank Accepted Bills by 1% over its minimum recommended investment period, after the deduction of management and operating fees.

For HJPY-I units

The objective for the unit is to outperform the 1-month JPY LIBOR (London Interbank Offered Rate) by 1% over its minimum recommended investment term, after the deduction of management and operating fees.

□ **BENCHMARK:**

For EUR-R, EUR-Q, EUR-I C, EUR-I C/D, EUR-N and EUR-SR units:

The daily capitalised EONIA (Overnight Indexed Swap or OIS method) :

- + 1.30% for the M units,
- +1.25% for the Q units,
- +1% for EUR-I C and I C/D units,
- +0.90% for N units,
- +0.60% for R units,
- +0.45% for SR units.

is the benchmark for the Fund. The EONIA (European Overnight Index Average) corresponds to the average day-to-day rate in the eurozone. It is calculated by the European Central Bank and published by the European Banking Federation at "[www.euribor.org](http://www.euribor.org)".

The administrator of this index is the European Money Markets Institute (EMMI). The index is available on the website: [www.euribor.org](http://www.euribor.org).

At the date of entry into force of the prospectus, the administrator of the reference index is not yet recorded on the register of administrators and reference indices held by ESMA.

For HGBP-R, HGBP-I, HGBP-I(B), HGBP -I(A) and HGBP-N units :

The 1-month LIBOR (London Interbank Offered Rate) GBP interest rate

- +1% for HGBP-R, HGBP-I and HGBP-I(B) and HGBP-I(A) units
- +0.90% for HGBP-N units

is the average rate at which a selection of large London-based banks agrees loans in pounds sterling for a term of one month. It is calculated every working day at 11.00 a.m. (London time) and published by the British Bankers' Association (BBA).

At the date of entry into force of the prospectus, the administrator of the reference index is not yet recorded on the register of administrators and reference indices held by ESMA.

For HUSD-I, HUSD-R, HUSD-SI, HUSD-N and HUSD-SR units:

The 1-month USD LIBOR (London Interbank Offered Rate) interest rate

- +1% for HUSD-I and HUSD-SI units,
- +0.90% for HUSD-N units,
- +0.60% for HUSD-R units,
- +0.45% for HUSD-SR units.

is the average rate at which a selection of large London-based banks agrees loans in US dollars for a term of one month. It is calculated every working day at 11.00 a.m. (London time) and published by the British Bankers' Association (BBA).

At the date of entry into force of the prospectus, the administrator of the reference index is not yet recorded on the register of administrators and reference indices held by ESMA.

For HCHF-R, HCHF-I, HCHF-N and HCHF-SR units:

The 1-month CHF LIBOR (London Interbank Offered Rate) interest rate

- +1% for HCHF-I units,
- +0.90% for HCHF-N units,
- +0.60% per year for HCHF-R units,
- +0.45% for HCHF-SR units.

is the average rate at which a selection of large London-based banks agrees loans in Swiss francs for a term of one month. It is calculated every working day at 11.00 a.m. (London time) and published by the British Bankers' Association (BBA).

At the date of entry into force of the prospectus, the administrator of the reference index is not yet recorded on the register of administrators and reference indices held by ESMA.

For HSGD-I and HSGD-R units:

The 1-month SIBOR (Singapore Interbank Offered Rate) interest rate

- +1% per year for HSGD-I units,
- +0.60% for HSGD-R units,
- +0.45% for HSGD-SR units.

is the average rate at which a selection of large Singapore-based banks agrees loans in Singapore dollars for a term of one month. It is calculated every working day at 11.00 a.m. (London time) and published by the British Bankers' Association (BBA).

At the date of entry into force of the prospectus, the administrator of the reference index is not yet recorded on the register of administrators and reference indices held by ESMA.

For HAUD-I units

Australian 30-day Bank Accepted Bills + 1% are negotiable in the short term, issued and guaranteed by Australian banks, and used for transactions to finance the Australian dollar for a term of one month.

For HJPY-I units

The 1-month JPY LIBOR (London Interbank Offered Rate) interest rate + 1% is the average rate at which a selection of large London-based banks agrees loans in Japanese yen for a term of one month. It is calculated every working day at 11.00 a.m. (London time) and published by the British Bankers' Association (BBA).

□ **INVESTMENT STRATEGY:**

A) Description of the strategies employed

The management style in place is uncompromisingly focused on performance, combining strategic and tactical positions and arbitrages on all interest rate and international currency markets.

This performance objective will be sought in due observation of a Value at Risk (VaR) ex ante of a maximum of 5% over 20 days, with a confidence interval of 99%. Management also seeks an average annual target ex post volatility of [2%; 4%] per year.

The Fund's performance has stronger links to relative trends in the markets (relative and arbitrage positions) than to the general direction of these markets (directional positions).

For each asset class, the exposure is decided first, and separately from other asset classes. Asset allocation is therefore a consequence of these exposure choices.

The investment strategy is based on a "top-down" approach and relies in particular on macroeconomic analysis and analysis of capital flows and relative market valuations.

The overall sensitivity of the portfolio will range from -2 to +2.

#### **Management of OECD government bonds:**

1. **Active management** of the portfolio's **exposure to global bond risk (sensitivity)**;
2. **Allocation** of the portfolio's **sensitivity** (positive or negative) as stipulated above among the **four main OECD government bond markets** (the United States for the dollar zone, Germany for the eurozone, the United Kingdom and Japan) using relative value strategies (purchase of sensitivity on certain markets, sale of sensitivity on others);
3. **Allocation of sensitivity** (positive or negative) as distributed on the four bond markets stipulated above over their **four main curve segments** [1-3 years], [3-7 years], [7-15 years] and [15-30 years], with specific use of flattening, restructuring or lateral shift strategies on these curves;
4. **Selection of the issuing country** within the dollar zone (the United States, Canada, Mexico, Australia and New Zealand) and the eurozone (EMU Member States, Norway, Sweden, Denmark, Iceland, Switzerland, Poland, the Czech Republic and Hungary).

#### **Management of OECD non-government bonds and non-OECD government and non-government bonds:**

1. **Active management of exposure to the overall credit risk**, up to a limit of 50% of the portfolio's net assets;
2. **Allocation of the credit risk over the main segments of the credit market**: investment-grade and speculative-grade debt, on the one hand, external and local debt of non-OECD countries, on the other;
3. **Selection of issuers** in each of these segments.

#### **Currency management:**

1. **Strategic allocation in US dollars**: purchase or sale of the US dollar against all other currencies;
2. **Relative allocation between the three main currency "blocs"**: European currency bloc (euro, pound sterling, Norwegian and Danish krone, Swedish and Icelandic krona, Swiss franc, Polish zloty, Czech koruna and Hungarian forint); yen bloc (Japanese yen and South Korean won); commodities bloc (where currency trends are linked to commodity prices: Canadian dollar, Australian dollar, New Zealand dollar and South African rand);
3. **Allocation within each bloc** by buying and selling each of the currencies comprising the bloc;
4. Diversification among non-OECD market currencies.

The HGBP-R, HGBP-I, HGBP-I(B), HGBP-I(A) and HGBP-N units, denominated in GBP, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/GBP exchange rate on the Fund's performance.

These units therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/GBP exchange rate risk, which could affect the net asset value.

The HCHF-I, HCHF-R, HCHF-N and HCHF-SR units, denominated in CHF, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/CHF exchange rate on the Fund's performance.

These units therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/CHF exchange rate risk, which could affect the net asset value.

The HUSD-I, HUSD-SI, HUSD-R, HUSD-N and HUSD-SR units, denominated in USD, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/USD exchange rate on the Fund's performance.

These units therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/USD exchange rate risk, which could affect the net asset value.

The HSGD-I, HSGD-R and HSGD-SR units, denominated in SGD, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/SGD exchange rate on the Fund's performance.

These units therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/SGD exchange rate risk, which could affect the net asset value.

The HAUD-I units, denominated in AUD, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/AUD exchange rate on the Fund's performance.

These units therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/AUD exchange rate risk, which could affect the net asset value.

The HJPY-I units, denominated in JPY, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/JPY exchange rate on the Fund's performance.

These units therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/JPY exchange rate risk, which could affect the net asset value.

B) Description of asset classes and financial contracts in which the Fund intends to invest and their contribution to the achievement of the management objective.

## **2-1 Debt securities, similar securities and financial instruments**

### **Bond market instruments:**

- up to **100% of the net assets in bonds issued or guaranteed by OECD Member States** with no rating restrictions;
- up to **40% of the net assets in non-government bonds** issued by companies with their registered offices in an OECD country.

The management team relies on the appraisal of credit risk by its teams and its own methodology.

In addition to this appraisal, the securities in question are subject to a minimum rating constraint corresponding to "Investment Grade" according to the management company's criteria at the time of their acquisition (for example, BBB- according to the Standard & Poor's or Fitch Ratings rating scale, or Baa3 according to Moody's).

If the issue is simultaneously rated by the three agencies at the time of purchase, at least two of the three ratings must be "Investment Grade". If the issue is only rated by two rating agencies, at least one of the two ratings must be "investment grade". If the issue is rated by only one agency, the rating must be "Investment Grade".

If an issue is unrated, the issuer's rating will be taken into account.

Moreover, when the rating of an issue or issuer of a security already present in the portfolio deteriorates and falls below the minimum "Investment Grade" rating (equivalent to a minimum rating of BBB- according to Standard & Poor's and Fitch or Baa3 according to Moody's), the management company will examine the case for keeping the securities in the portfolio or disposing of them, while maintaining as its principal criterion the interests of the unitholders.

- In this category of OECD non-government bonds, up to **20% of the net assets may be invested in mortgage-backed securities or asset-backed securities** (ABS – securitisation of portfolios of non-mortgage loans such as consumer credit, automobile credit and credit cards, and MBS – securitisation of mortgage loan portfolios).

The management team relies on the appraisal of credit risk by its teams and its own methodology.

These securities may also be subject to a minimum rating constraint at the time of acquisition equivalent to:

- AA from Standard & Poor's or Fitch Ratings,
- Aa2 from Moody's,

or an equivalent rating in accordance with the Management Company's analysis.

If the issue is rated simultaneously by the three agencies at the time of purchase, at least two of the three ratings must be AA/Aa2 or an equivalent rating in accordance with the Management Company's analysis.

If the issue is only rated by two rating agencies, at least one of the two ratings must be AA/Aa2 or an equivalent rating in accordance with the Management Company's analysis.

If the issue is only rated by one agency, the rating must be AA/Aa2 or an equivalent rating in accordance with the Management Company's analysis.

If an issue is unrated, the issuer's rating will be taken into account.

Moreover, when the rating of an issue or issuer of a security already present in the portfolio deteriorates and falls below the minimum rating, the management company will examine the case for keeping the securities in the portfolio or disposing of them, while maintaining as its principal criterion the interests of the unitholders.

Still within this limit of 20% of net assets in mortgage-backed securities or asset-backed securities, the Fund may hold up to 10% of its net assets in ABS and MBS that are unrated upon issue or whose issuer is unrated upon issue.

- up to **10% of the assets in OECD corporate bonds rated "Speculative Grade" at purchase, and non-OECD government and corporate bonds with no ratings restrictions**, issued in G4 currencies (USD, EUR, GBP and JPY) or in local currencies.

	Minimum	Maximum
Sensitivity range for interest rates	-2	+2
Issuer's geographic region*	All geographic regions	
Base currency of securities	All currencies	
Exchange rate risk permitted	0%	150%

\*Calculations carried out as % of the Fund's total exposure

- up to 10% of the assets in contingent convertible bonds.

#### **Money market instruments:**

The Fund's cash position is managed through the acquisition of money market instruments (treasury bills, annual interest treasury bills, commercial paper, Euro Commercial Paper and money market UCITS/AIFs) and the conclusion of repurchase agreements and deposits.

#### **Currencies:**

The Fund may be exposed to all currencies, both OECD and non-OECD, through both purchases and sales.

<b>Recap of the main limits for investment in bonds (ratings applicable at time of purchase)</b>	
Overall sensitivity range	[-2; +2]
OECD government bonds	Maximum 100% of net assets
OECD non-government bonds rated investment grade at purchase	Maximum 40% of net assets
of which securitised bonds (ABS & MBS)	Maximum 20% of net assets

Non-OECD government bonds or OECD non-government bonds rated speculative grade at purchase, or non-OECD non-government bonds	Maximum 10% of net assets
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## **2-2 Special instruments**

### **2-2.1 Holding of shares or units of other UCITS/AIFs/investment funds**

On an ancillary basis, with a view to investing its liquid assets, the Fund may hold up to 10% of its assets in shares or units of the following UCITS/AIFs/investment funds, particularly money market UCITS/AIFs/investment funds:

UCITS under French law*	X
UCITS under European law*	X
AIFs under French law which comply with Article R. 214-13 of the <i>Code monétaire et financier</i> , the French Monetary and Financial Code*	X
AIFs under European law which comply with Article R. 214-13 of the <i>Code monétaire et financier</i> , the French Monetary and Financial Code*	X
Investment funds under foreign law which comply with Article R. 214-13 of the <i>Code monétaire et financier</i> , the French Monetary and Financial Code*	X

\* *These UCITS/AIFs/investment funds may not hold more than 10% of their assets in UCITS/AIFs/investment funds.*

The UCIs held by the Fund may be managed by the Management Company or by a legally affiliated company.

### **2-2.2 Derivatives**

The investment process includes the use of financial contracts, whether conditional or otherwise, traded on regulated, organised or over-the-counter markets.

These are an alternative to bearer securities, especially at times of subscription/redemption flows or in specific circumstances such as major market fluctuations.

The Fund may use derivatives to overcommit its portfolio.

## TABLE OF DERIVATIVES

Type of instrument used	MARKET TYPE			RISK TYPE					OPERATION TYPE			
	Admission to regulated markets *	Organised markets	OTC markets	Equities	Interest rates	Exchange rates	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other(s)
<b>Futures on</b>												
Equities												
Interest rates	X	X			X				X	X	X	
Exchange rates	X	X				X			X	X	X	
Indices					X	X	X		X	X	X	
<b>Options on</b>												
Equities												
Interest rates	X	X	X		X			X	X	X	X	
Exchange rates	X	X	X			X		X	X	X	X	
Indices												
<b>Swaps</b>												
Equities												
Interest rates			X		X			X	X	X	X	
Exchange rates			X			X		X	X			
Indices												
<b>Forex forward</b>												
Currency			X			X		X	X	X	X	
<b>Credit derivatives</b>												
Credit default swaps (CDS)			X				X	X	X	X	X	
First default												
First losses credit default swap												

\* See the Management Company's policy for the execution of orders at [www.h2o-am.com](http://www.h2o-am.com).

The Fund may enter into total return swaps ("TRS") which seek to swap the performance of all or some of the assets held by the Fund (and held by the Fund's custodian) for the performance of an index or an asset class listed in the section entitled "Description of asset classes and financial contracts".

The maximum proportion of assets under management that may be used for TRS is 100% of the net assets. Under normal market conditions, the Management Company expects such transactions to involve up to 100% of the Fund's assets.

The counterparties to total return swaps are credit institutions or other entities that meet the criteria set out in the French Monetary and Financial Code and selected by the Management Company in accordance with the counterparty selection procedure available on the Management Company's website at the following address: [www.h2o-am.com](http://www.h2o-am.com).

The Management Company shall enter into such contracts with financial institutions that have their registered office in a Member State of the OECD and with a minimum rating that meets the requirements of the Management Company.



These transactions are systematically covered by a contract signed between the Management Company and the counterparty that defines the procedures for reducing counterparty risk. The counterparties do not have any discretionary decision-making powers in respect of the composition or management of the Fund's investment portfolio or the asset underlying the derivative.

### 2-2.2 bis Information relating to OTC financial agreements

Counterparties consist of leading credit institutions. They are selected and regularly assessed in accordance with the counterparty selection procedure, which is available on request from the Management Company. These transactions are systematically covered by a contract signed between the UCITS and the counterparty that defines the procedures for reducing counterparty risk.

The counterparty or counterparties does/do not have any discretionary decision-making powers regarding the composition or management of the UCITS investment portfolio or the derivative's underlying asset.

### 2-2.3 Securities with embedded derivatives

**TABLE OF SECURITIES WITH EMBEDDED DERIVATIVES**

<i>Type of instrument used</i>	RISK TYPE					OPERATION TYPE			
	Equities	Interest rates	Exchange rates	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other(s)
<b>Warrants on</b>									
Equities									
Interest rates									
Exchange rates									
Indices									
<b>Subscription warrants</b>									
Equities									
Interest rates									
<b>Equity-linked products</b>									
<b>Convertible bonds</b>									
Exchangeable bonds									
Convertible bonds									
Contingent convertible bonds	X	X		X	X		X		
<b>Callable interest rate products</b>		X	X	X	X	X	X		X
<b>Puttable interest rate products</b>		X	X	X	X	X	X		X
<b>Structured EMTN/Medium-term negotiable securities</b>									
Structured medium-term negotiable securities									
Structured EMTN									
Credit linked notes (CLN)									
<b>Other (please specify)</b>									

\* See the Management Company's policy for the execution of orders at [www.h2o-am.com](http://www.h2o-am.com).

### **2-3 Deposits**

The Fund may make deposits with a maximum duration of twelve months in compliance with the French Monetary and Financial Code. These deposits, which will enable the Fund to manage all or part of its cash, contribute to the achievement of its management objectives.

### **2-4 Liquid assets**

On an ancillary basis, the Fund may also hold cash and cash equivalents.

### **2-5 Cash borrowings**

The Fund may borrow cash up to a limit of 10% of its assets and only on a temporary basis.

### **2-6 Temporary purchases and sales of securities**

The Management Company may carry out temporary purchases or sales of securities (also called as securities financing transactions), subject to a limit of 100% of the assets. The proportion of assets under management expected to be subject to securities financing transactions will be 50%.

<b>Types of transaction used</b>	
Repurchase and reverse repurchase agreements in accordance with the French Monetary and Financial Code	X
Securities lending and borrowing in accordance with the French Monetary and Financial Code	X
Other	

<b>Types of operation, all of which must be limited to the achievement of the management objective</b>	
Cash management	X
Optimisation of the Fund's income and performance	X
Other	

The affected assets are described in the "Description of asset classes" section of this prospectus.

### **2-6 bis: Information on the use of temporary purchases and sales of securities**

The purpose of using temporary sales of securities is to obtain an additional return for the UCITS and therefore to contribute to its performance. Furthermore, the UCITS may make repurchase agreements as part of the reinvestment of cash collateral and/or reverse repurchases to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

### **2-7 Contracts constituting collateral:**

Within the context of entering into financial contracts and/or securities financing transactions, the UCITS may receive/pay collateral in the form of a transfer of the full ownership of securities and/or cash.

Securities received as collateral must meet the criteria laid down by the regulations and must be granted by credit institutions or other entities that meet the legal, country and other financial criteria set out in the French Monetary and Financial Code.

The level of collateral and the discount policy are set by the Management Company's policy eligibility of collateral in accordance with the regulations in force, and cover the following categories:

- Cash collateral in various currencies according to a predefined list, such as the euro and USD;
- Collateral as debt or equity securities on the basis of a specific classification.

The collateral eligibility policy explicitly defines the level of collateral required and the discounts applied to each type of collateral on the basis of rules that depend upon their specific characteristics. In

accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, appraisal, credit quality and regular stress tests on the collateral's liquidity.

In accordance with the conditions set out in the regulations, in the event that collateral is received in cash, it may only be:

- deposited;
- invested in high-quality government bonds;
- used in repurchase agreements;
- invested in short-term money market undertakings for collective investment (UCI).

Collateral received in any form other than cash may not be sold, reinvested or pledged.

The Management Company will carry out a daily valuation of collateral received on a market price basis (mark-to-market method), according to the valuation rules set out in this prospectus. Margin calls will be made on a daily basis.

The collateral received by the Fund will be kept by the depositary of the Fund or, failing that, by any third-party depositary subject to prudential supervision and which has no connection with the provider of the guarantee.

The risks associated with securities financing transactions, financial contracts and the management of inherent guarantees are described in the risk profile section.

□ **RISK PROFILE:**

Your money will be primarily invested in financial instruments selected by the Management Company. These instruments will be subject to the trends and risks of the markets.

Net asset value is liable to fluctuate widely due to the financial instruments that make up the Fund portfolio.

**Capital risk:** the Fund does not benefit from any guarantee or protection. Therefore, the capital initially invested may not be repaid in full.

**Credit risk:** this is the risk of a variation in credit spreads arising from a deterioration in the quality of the issuer or a default by one or more issuers present in the portfolio. Depending on the direction of the transactions of the UCITS, i.e. a decrease (in the event of a purchase) or an increase (in the event of a sale) in the value of the debt securities to which the UCITS is exposed, the Fund may fall, leading to a decrease in its net asset value.

Under deteriorated market conditions, their valuation may fluctuate significantly and have a negative impact on the net asset value.

This risk may be intensified by a lack of liquidity on the market for all bonds, particularly speculative bonds (rated "Speculative Grade").

In the case of ABS (Asset Backed Securities) and MBS (Mortgage Backed Securities), credit risk results from both the intrinsic quality of the underlying assets, which may be of various types (consumer, mortgage, SME loans, trade receivables, etc.) and from specific risks, particularly those associated with the sometimes complex legal structure and the operators involved in the transaction.

**Interest rate risk:** this is the risk of a fall in the value of interest rate instruments due to fluctuations in interest rates. It is measured by sensitivity.

When interest rates rise (in the case of positive sensitivity) or fall (in the case of negative sensitivity), the net asset value may fall sharply.

Sensitivity measures the impact of a change in rates on the Fund's valuation. Therefore, if the Fund has a sensitivity to interest rates close to 10, a 1% rise in real rates will cause the Fund's net asset value to fall by 10%, while a 1% fall in real rates will cause the Fund's net asset value to rise by 10%.

**Counterparty risk:** the Fund uses over-the-counter financial contracts and/or temporary purchases and sales of securities. These transactions, entered into with one or more counterparties, potentially expose the Fund to the risk of failure of any of these counterparties, which may cause the latter to default on payment.

**Risk associated with emerging market securities:** the securities of these countries may be difficult to trade or may even temporarily cease to be tradable, due in particular to a lack of trading on the market or to regulatory restrictions. As a result, holding such securities may result in departures from the Fund's normal operation in accordance with the UCITS' regulations and if the interests of investors so dictate. Moreover, since downward movements on the market may be faster and more pronounced than on developed markets, the net asset value may fall more sharply and rapidly.

**Arbitrage risk:** arbitrage is a technique that takes advantage of price differences observed (or expected) between markets and/or sectors and/or securities and/or currencies and/or instruments. In the event of an unfavourable outcome in such arbitrage transactions (false expectations: rises in the case of sale transactions and/or falls in the case of purchase transactions), the Fund's net asset value may fall.

**Exchange rate risk:** this is the risk of a fall in the investment currencies against the euro, the portfolio's reference currency. If a currency falls against the euro, the net asset value may fall.

For HUSD-R, HUSD-I, HUSD-SI and HUSD-SR units, denominated in USD, the euro exchange rate risk is hedged in order to minimise the impact of variations in the US dollar (USD) against the euro for unitholders whose investment is carried out in USD.

For HSGD-R, HSGD-I and HSGD-SR units, denominated in SGD, the euro exchange rate risk is hedged in order to minimise the impact of variations in the Singapore dollar (SGD) against the euro for unitholders whose investment is carried out in SGD.

For HCHF-R, HCHF-I and HCHF-SR units, denominated in CHF, the euro exchange rate risk is hedged in order to minimise the impact of variations in the Swiss franc (CHF) against the euro for unitholders whose investment is carried out in CHF.

For HGBP-R, HGBP-I, HGBP-I(B) and HGBP-I(A) units, denominated in GBP, the euro exchange rate risk is hedged in order to minimise the impact of variations in the pound sterling (GBP) against the euro for unitholders whose investment is carried out in GBP.

For HAUD-I units, denominated in AUD, the euro exchange rate risk is hedged in order to minimise the impact of variations in the Australian dollar (AUD) against the euro for unitholders whose investment is carried out in AUD.

For HJPY-I units, denominated in JPY, the euro exchange rate risk is hedged in order to minimise the impact of variations in the Japanese yen (JPY) against the euro for unitholders whose investment is carried out in JPY.

**Overexposure risk:** the method used to calculate commitment allows the associated risk budgets to be determined for the various strategies. The UCITS will therefore have variable levels of exposure to the various types of risk stated in this prospectus, while remaining in compliance with the predefined sensitivity range.

The level of exposure particularly depends on the strategies implemented as well as on market conditions. The level of exposure to the various risks may cause the net asset value to fall faster and/or to a greater extent than the markets underlying these risks.

**Liquidity Risk:** the liquidity risk in the portfolio represents the fall in the price that the UCITS should potentially accept in order to sell certain assets for which there is insufficient demand in the market.

Risk associated with temporary purchases and sales of securities, total return swaps (TRS) and the management of collateral:

Temporary purchases and sales of securities and total return swaps (TRS) are likely to create risks for the Fund, such as the counterparty risk defined above. The management of collateral may create risks for the Fund, such as liquidity risk (i.e. the risk that a security received as collateral is not sufficiently liquid and cannot be sold quickly in the event that the counterparty defaults), and, where applicable, risks related to the reuse of cash collateral (i.e. primarily the risk that the Fund cannot reimburse the counterparty).

**Risk associated with investments in contingent convertible bonds:** Risk the Funds may invest in contingent convertibles securities (“CoCos”) which are debt securities that may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. In addition to credit and changing interest rates risks that are common to debt securities, the conversion trigger activation may cause the value of the investment to fall more significantly than other most conventional debt securities which do not expose investors to this risk.

□ **TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE:**

EUR-R, EUR-I (C), EUR-I (C/D), HUSD-R, HSGD-R, HCHF-R, HGBP-R, HGBP-I, HUSD-I, HCHF-I, HSGD-I, EUR-SR, HUSD-SR, HSGD-SR and HCHF-SR units are aimed at all subscribers. R, SR, H-SR and H-R units are primarily aimed at private individuals. I, H-I, HAUD-I, HJPY-I, HGBP-I-(B), HGBP-I-(A) and HUSD-SI units are primarily aimed at institutional investors.

The EUR-M unit is reserved for feeder UCITS/AIFs managed by the Management Company or another Group company.

EUR-N, HGBP-N, HCHF-N and HUSD-N units are primarily intended for investors subscribing via distributors or intermediaries that:

Are subject to national legislation prohibiting all retrocessions to distributors (e.g. in the United Kingdom or the Netherlands)

Provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate.

The Q unit is reserved for employees of the H2O AM Group.

The UCITS is aimed at investors who wish to invest the stable portion of their cash with the objective of outperforming the capitalised EONIA index for units denominated in euros and respectively for the HUSD-R, HUSD-I, HUSD-SI, HUSD-N, HUSD-SR, HSGD-R, HSGD-I, HSGD-SR, HCHF-R, HCHF-I, HCHF-N, HCHF-SR, HGBP-R, HGBP-I, HGBP-N, HAUD-I and HJPY-I units, the 1-month USDLIBOR, the 1-month SIBOR, the 1-month CHF LIBOR, the 1-month GBP LIBOR, the 1-month AUD LIBOR and the 1-month JPY LIBOR solely over an investment period that is at least equal to the minimum recommended investment period.

Minimum recommended investment period: 1 to 2 years.

The Fund's units may not be offered or sold in the United States of America or to or on behalf of a “US Person” as defined by Rule 902 of Regulation S in accordance with the United States Securities Act 1933. Prospective unitholders must declare that they are not a US Person and that they are not subscribing on behalf of a US Person or with the intention of reselling them to a US Person.

The amount that it would be reasonable to invest in the Fund depends on the amount of risk the investor is willing to take. This amount also depends on the holder's personal profile, particularly their financial situation and the current composition of their financial assets. **Building and holding a financial asset portfolio presupposes a diversification of investments.**

It is also recommended that anyone wishing to subscribe to shares in the Fund contact their usual adviser in order to obtain information or advice tailored to their personal situation.

Investors are strongly advised to diversify their assets so that they are not solely exposed to the risks of this Fund.

□ **PROCEDURES FOR DETERMINING AND ALLOCATING DISTRIBUTABLE INCOME**

R (C), Q(C), HUSD-R (C), HSGD-R (C), HCHF-R (C), HGBP-R(C) and I (C), HGBP-I (C), HCHF-I (C), HUSD-I (C), HUSD-SI (C), HSGD-I (C), HAUD-I(C), N (C), HJPY-I (C) and HGBP-I-(B), HGBP-I-(A), HGBP-N (C), HCHF-N (C) and HUSD-N (C) units are accumulation units.

Net realised capital gains are accumulated.

The M unit is a distribution unit.

I (C/D) units are accumulation and/or distribution units. Realised distributable amounts from I (C/D) units (realised net income and net capital gains) are distributed in the form of an annual dividend paid within five months of the year-end date and/or capitalised and carried forward after the close of the fiscal year by decision of the Management Company. For further details, please see article 9 of the UCITS by-laws.

□ **UNIT FEATURES**

Unit Class	ISIN code	Base currency	Unit division	Minimum initial subscription	Minimum subsequent subscription
R (C) unit	FR0010923359	EUR	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HUSD-R (C) unit	FR0011981745	USD	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HCHF-R (C) unit	FR0011981752	CHF	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HSGD-R (C) unit	FR0011981711	SGD	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HGBP-R (C) unit	FR0012489730	GBP	Ten-thousandths	GBP 100	1 ten-thousandth of a unit
Q(C) unit	FR0013425287	EUR	One unit	EUR 20,000	One unit
I (C) unit	FR0010929794	EUR	Ten-thousandths	EUR 100,000	1 ten-thousandth of a unit
I (C/D) unit	FR0012916682	EUR	Ten-thousandths	EUR 100,000	1 ten-thousandth of a unit
HUSD-I (C) unit	FR0011981786	USD	Ten-thousandths	USD 100,000	1 ten-thousandth of a unit
HCHF-I (C) unit	FR0011981794	CHF	Ten-thousandths	CHF 100,000	1 ten-thousandth of a unit
HSGD-I (C) unit	FR0011981778	SGD	Ten-thousandths	SGD 100,000	1 ten-thousandth of a unit
HGBP-I (C) unit	FR0011981810	GBP	Ten-thousandths	GBP 100,000	1 ten-thousandth of a unit
HAUD-I (C) unit	FR0013186756	AUD	Ten-thousandths	AUD 150,000	1 ten-thousandth of a unit

N (C) unit	FR0013186772	EUR	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HJPY-I (C) unit	FR0013186764	JPY	Ten-thousandths	JPY 15,000,000	1 ten-thousandth of a unit
HGBP-I (B) (C) unit	FR0013239720	GBP	Ten-thousandths	GBP 100,000	1 ten-thousandth of a unit
HGBP-I (A) (C) unit	FR0013424702	GBP	Ten-thousandths	GBP 100,000	1 ten-thousandth of a unit
HUSD-SI (C) unit	FR0013284437	USD	Ten-thousandths	USD 100,000,000	1 ten-thousandth of a unit
HGBP-N (C) unit	FR0013321700	GBP	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HCHF-N(C) unit	FR0013321692	CHF	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HUSD-N (C) unit	FR0013321684	USD	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
M (D) unit	FR0013352028	EUR	Ten-thousandths	EUR 10,000	1 ten-thousandth of a unit
EUR-SR (C) unit	FR0013393188	EURO	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HUSD-SR (C) unit	FR0013393204	USD	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HSGD-SR (C) unit	FR0013393196	SGD	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit
HCHF-SR (C) unit	FR0013393212	CHF	Ten-thousandths	1 ten-thousandth of a unit	1 ten-thousandth of a unit

□ **SUBSCRIPTION AND REDEMPTION PROCEDURES:**

Subscription and redemption orders are cleared on each net asset value calculation day (D) at 12:30 p.m. These are executed on the basis of the net asset value established on D and calculated on the basis of D + 1 working day.

Investors intending to subscribe to units and unitholders wishing to redeem units are invited to contact their usual marketing agent directly in order to obtain information on the deadlines for placing subscription and redemption orders, as these may be earlier than the clearing time stated above.

Orders are executed in accordance with the table below for Euro and GBP currency:

D business day	D business day	D: NAV calculation day	D+1 business day	D+1 business day	D+1 business day
Centralisation before 12:30 CET for subscription orders <sup>1</sup>	Centralisation before 12:30 CET for redemption orders <sup>1</sup>	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions <sup>1</sup>	Settlement of redemptions <sup>1</sup>

<sup>1</sup>Unless a specific deadline has been agreed with your financial institution.

Orders are executed in accordance with the table below for other currency:

D business day	D business day	D: NAV calculation day	D+1 business day	D+3 business day	D+3 business day
Centralisation before 12:30 CET for subscription orders <sup>1</sup>	Centralisation before 12:30 CET for redemption orders <sup>1</sup>	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions <sup>1</sup>	Settlement of redemptions <sup>1</sup>

<sup>1</sup>Unless a specific deadline has been agreed with your financial institution.

□ **DATE AND CALCULATION FREQUENCY OF NET ASSET VALUE:**

Net asset value is calculated on every Euronext Paris trading day, with the exception of French public holidays.

The net asset value may be obtained from the Management Company:

H2O AM LLP  
10 Old Burlington Street, London W1S 3AG, United Kingdom  
Website: "[www.h2o-am.com](http://www.h2o-am.com)"

□ **FEES AND COMMISSIONS:**

Subscription and redemption fees:



<b>Fees charged to the investor, payable at the time of subscription or redemption</b>	<b>Basis</b>	<b>Interest rates scale</b>
Subscription fee not payable to the UCITS	net asset value x number of units	<u>EUR-R, HCHF-R, HUSD-R, HSGD-R, EUR-SR, HUSD-SR, HSGD-SR and HCHF-SR units</u> 2% maximum <u>HGBP-R, HGBP-I-(B), HGBP-IC and M units:</u> 5% maximum
Subscription fee reserved for the management company	net asset value x number of units	<u>EUR-Q unit :</u> 10% maximum <u>EUR-I, EUR I (C/D), HCHF-I, HUSD-I, HUSD-SI, HSGD-I, HGBP-I, HAUD-I, EUR-N and HJPY-I, HGBP-N, HCHF-N, HUSD-N and HGBP-I-(A) units:</u> 1% maximum
Subscription fee payable to the UCITS	net asset value x number of units	<u>EUR-R, HCHF-R, HUSD-R, HSGD-R and HGBP-R:</u> 5% maximum
Redemption fee not payable to the UCITS	net asset value x number of units	none
Redemption fee payable to the UCITS	net asset value x number of units	none

Fees charged to the UCITS:

These charges cover:

- Financial management fees;
- Administrative fees not related to the Management Company;
- Indirect maximum charges (commissions and management fees) for UCITS that invest over 20% in other UCITS, AIFs or investment funds;
- Transfer fees;
- Outperformance fees.

Fees charged to the UCITS:	Basis	Interest rates scale
Financial management fees	Net assets	<u>EUR-R, HCHF-R, HUSD-R and HSGD-R units</u> 0.80% incl. tax Maximum rate
Administrative fees not related to the Management Company	Net assets	<u>EUR-SR, HUSD-SR, HSGD-SR et HCHF-SR units :</u> 0.90%incl. tax Maximum rate
		<u>EUR-I (C), EUR-I (C/D), HCHF-I, HUSD-I, HSGD-I, HGBP-I, HAUD-I, HJPY-I and HGBP-I(B) and HGBP-I(A) units :</u> 0.35% incl. tax Maximum rate  <u>EUR-N, HGBP-N, HCHF-N and HUSD-N units:</u> 0.45% incl. tax Maximum rate  <u>HGBP-R and HUSD-SI units:</u> 0.60% incl. tax Maximum rate  EUR-Q unit : 0.10% incl. tax Maximum rate  <u>EUR-M unit:</u> 0.05% incl. tax Maximum rate
Transfer fees	Deducted from each transaction or operation based on the service agreement percentages	Maximum 0.005% per month on instruments and €400 per month for OTC admin charges
Outperformance fee	Positive difference between valued asset and reference asset	EUR-R, HCHF-R, HUSD-R, HSGD-R, EUR-I (C), EUR-I (C/D), HCHF-I, HUSD-I, HSGD-I, HGBP-I, HAUD-I, EUR-N, HJPY-I and HGBP-I(B), HGBP-I(A), HGBP-N, HCHF-N, HUSD-N, EUR-SR, HUSD-SR, HSGD-SR and HCHF-SR units: 25%, including tax, of outperformance vs the index shown below  HGBP-R, HUSD-SI, EUR-Q and EUR-M units: none

The outperformance fee applicable to a particular unit class is based on a comparison of the Fund's valued asset and its reference asset.

The Fund's **valued assets** are the portion of the assets corresponding to a specific share class, valued in accordance with the rules applicable to the assets and taking into account the actual operating and management fees corresponding to this share class.

The Fund's **reference assets** are the portion of the assets corresponding to a specific share class, adjusted to take into account the subscription/redemption amounts applicable to this share class at each valuation, and valued in accordance with the performance of the benchmark index (i.e. the reference rate) of the Fund.

The reference rate is equal to the capitalised EONIA plus 1% per year for EUR-I (C) and EUR-I (D) units, 0.60% per year for EUR-R units, 0.90% per year for EUR-N units and 0,45% per year for EUR- SR. The Fund's performance is calculated according to changes in the unit class's net asset value.

The reference rate is equal to the 1-month SIBOR plus 1% per year for HSGD-I units and 0.60% per year for HSGD-R units, and 0.45% per year for HSGD-SR units. The Fund's performance is calculated according to changes in the unit class's net asset value.

The reference rate is equal to the 1-month USD LIBOR plus 1% per year for HUSD-I units, 0.60% per year for HUSD-R units and 0.90% per year for HUSD-N units and 0.45% per year for HUSD-SR. The Fund's performance is calculated according to changes in the unit class's net asset value.

The reference rate is equal to the 1-month CHF LIBOR plus 1% per year for HCHF-I units, 0.60% per year for HCHF-R units and 0.90% per year for HCHF-N units. The Fund's performance is calculated according to changes in the unit class's net asset value.

The reference rate is equal to the 1-month GBP LIBOR plus 1% per year for HGBP-I and HGBP-I(B), HGBP-I(A) units and 0.90% per year for HGBP-N units. The Fund's performance is calculated according to changes in the unit class's net asset value.

The reference rate is equal to the 1-month AUD LIBOR plus 1% per year for HAUD-I units. The Fund's performance is calculated according to changes in the unit class's net asset value.

The reference rate is equal to the 1-month JPY LIBOR plus 1% per year for HJPY-I units. The Fund's performance is calculated according to changes in the unit class's net asset value.

The observation period is defined as follows:

Initial observation period:

- for EUR-I (C) and EUR-R units: from 1 September 2010 to the last trading day in September 2011;
- for HCHF-I, HUSD-I, HSGD-I, HGBP-I and HCHF-R, HUSD-R, HSGD-R units: from 20 June 2014 to the last trading day in September 2015;
- for EUR-I (C/D) units: from 18 September 2015 to the last trading day in September 2016;
- for HAUD-I, EUR-N, and HJPY-I units: from 8 August 2016 to the last trading day in September 2017;
- for HGBP-I(B) units: from 3 March 2017 to the last trading day in September 2018.

for the following observation periods: from the first trading day in October to the last trading day in September of the following year;

- for HGBP-N, HCHF-N and HUSD-N units: from 15 March 2018 to the last trading day in September 2019. for the following observation periods: from the first trading day in October to the last trading day in September of the following year;
- for EUR-SR, HUSD-SR, HSGD-SR, HCHF-SR units: from 7 January 2019 to the last trading day in September 2020. for the following observation periods: from the first trading day in October to the last trading day in September of the following year ;
- for HGBP-I(A) units: from 5 August 2019 to the last trading day in September 2019. for the following observation periods: from the first trading day in October to the last trading day in September of the following year.

At the beginning of each observation period, the reference asset used will be the highest of the assets recorded on:

- 31 August 2010 for EUR-I (C), EUR-R, HCHF-I, HUSD-I, HSGD-I, HGBP-I, HCHF-R, HUSD-R, HSGD-R and EUR-I (C/D) units;
- 8 August 2016 for HAUD-I, N and HJPY-I units;
- 3 March 2017 for HGPB-I-(B) units;
- 15 March 2018 for HGBP-N, HCHF-N and HUSD-N units;
- 7 January 2019 for EUR-SR, HUSD-SR, HCHF-SR and HSGD-SR units,
- 5 August 2019 for EUR-Q units.

and all the valued assets recorded on the final day of each of the observation periods established since the creation of the Fund. If necessary, the reference assets will be adjusted to take into account the amounts of any subscriptions/redemptions occurring between the date of recording of the reference assets and the start of the new observation period.

If, during the observation period, the Fund's valued asset is higher than the reference asset as defined above, the variable portion of the management fees will represent up to 25% of the difference between these two assets.

If, during the observation period, the Fund's valued asset is lower than the reference asset, the variable portion of the management fees will be zero.

If, during the observation period, the Fund's valued asset is higher than the reference asset, this difference will be subject to a variable management fee provision at the time of the net asset value calculation.

In the event that the Fund's valued asset is lower than the reference asset between two net asset values, any previously approved provision will be replaced with a new provision. The new provisions must not exceed the previous allocations.

This variable portion will be collected at the end of each observation period only if, over the elapsed period, the Fund's valued asset is higher than the reference asset at the time of the final net asset value calculation.

In the event of redemption, the portion of the provision corresponding to the number of units redeemed will be definitively payable to the Management Company.

**Information on remuneration generated through temporary purchases and sales of securities:**

All remuneration from these operations is paid in full to the Fund.

**Brief description of the selection procedure for intermediaries:**

A selection and assessment procedure for intermediaries, which takes into account such objective criteria as research, commercial monitoring and execution quality, has been implemented by the Management Company. This procedure is available on the H2O AM LLP website, at: [www.h2o-am.com](http://www.h2o-am.com)

**IV COMMERCIAL INFORMATION**

**□ PROVISION OF INFORMATION FOR UNITHOLDERS CONCERNING THE UCITS:**

**DISTRIBUTION OF THE PROSPECTUS AND ANNUAL AND INTERIM DOCUMENTS**

- These documents will be sent to unitholders upon written request to:  
H2O AM LLP  
10 Old Burlington Street, London W1S 3AG, United Kingdom  
E-mail: [info@h2o-am.com](mailto:info@h2o-am.com)

The documents will be sent within eight business days.

- These documents are also available at "[www.h2o-am.com](http://www.h2o-am.com)"
- Further information can be obtained from the marketing agents' branches.

#### **INFORMATION ON THE NET ASSET VALUE**

The net asset value can be obtained from H2O AM LLP, from the marketing agents' branches and at "[www.h2o-am.com](http://www.h2o-am.com)"

#### **COMMERCIAL DOCUMENTATION**

Commercial documentation is available to the Fund's unitholders and subscribers online via [www.h2o-am.com](http://www.h2o-am.com) or [www.im.natixis.com](http://www.im.natixis.com).

#### **INFORMATION IN THE EVENT OF AN AMENDMENT TO FUND OPERATIONS**

Unitholders are informed of any changes concerning the Fund in line with the procedures drawn up by the AMF.

If applicable, this information may be provided by Euroclear France and its associated financial intermediaries.

#### **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA**

Information on the procedure for incorporating criteria relating to environmental, social and governance (ESG) quality objectives can be found in the annual reports of the relevant UCITS and on the management company's website.

### **V INVESTMENT RULES**

The UCITS complies with the investment rules for UCITS as stipulated by the French Monetary and Financial Code.

### **VI OVERALL RISK**

The calculation method used by the Fund is the Value-at-Risk method.

The indicative average leverage level for the UCITS is 6. However, the UCITS may reach a higher leverage level. The UCITS' indicative leverage level is calculated as the sum of the nominal positions on the financial contracts that are used.

### **VII ASSET VALUATION AND ACCOUNTING RULES**

#### **A Asset valuation rules**

##### **I - Securities portfolio**

The Management Company has delegated accounting management (including valuation of the Fund's portfolio) to CACEIS Fund Administration.

The Fund's portfolio is valued each time the net asset value is calculated and on the closing of the accounts, at the closing price.

The Fund's annual accounts are drawn up on the basis of the final net asset value for the financial year.

The Fund complies with the accounting rules and methods prescribed by current regulations and with the UCITS chart of accounts which, on the day of publication of the prospectus, are as follows:

##### **Equities**

French equities are valued on the basis of the latest quoted price in the case of securities admitted to a deferred settlement system or a spot market.

Foreign equities are valued on the basis of the latest price on the Paris stock exchange if the securities are listed in Paris, or on the first trading day of their main market, converted into euros in accordance with the WMR rate for the currency on the day of valuation.

### **Bonds**

Bonds are valued on the basis of a Bloomberg composite rating obtained at 5:00 p.m. (Paris time) in accordance with the WMR rate for the currency on the day of valuation.

### **Transferable securities**

Transferable securities, the price of which has not been recorded on the valuation date or has been adjusted, are valued by the Management Company at their expected trading value.

In the case of unlisted transferable securities or those for which a price is not listed on the valuation date, as well as other items on the balance sheet, the Management Company adjusts its valuation on the basis of variations that seem likely in view of current events. The statutory auditor is informed of these valuations and the justifications for them during their audit.

Foreign securities are converted into the equivalent value in euros in accordance with the WMR rate on the day of valuation.

### **UCITS/AIFs/investment funds**

Units or shares of UCITS, AIFs and investment funds are valued at the last known net asset value. Foreign undertakings for collective investment that carry out valuations at times that are incompatible with the calculation of the Fund's net asset value are valued on the basis of estimates supplied by the administrators of the undertakings, under the supervision and responsibility of the Management Company.

### **Transferable debt securities:**

Transferable debt securities are valued in accordance with the following rules:

- BTANs and BTFs are valued on the basis of an average of contributed prices obtained from market-makers,
- Unlisted variable-rate debt securities are valued at cost price, adjusted to take into account any potential variations in credit spreads,
- Other fixed-rate transferable debt securities (certificates of deposit, commercial paper, warrants issued by financial institutions, etc.) are valued on the basis of their market price.

In the absence of an indisputable market price, transferable debt securities are valued by applying a yield curve, adjusted, if necessary, by a margin calculated on the basis of the characteristics of the security (of the issuer).

However, transferable debt securities with a residual maturity of three months or less could be valued via the straight-line method.

### **Temporary purchases and sales of securities**

Contracts for temporary purchases and sales of transferable securities and equivalent transactions are valued at the contract rate, adjusted for any margin calls (valued in accordance with the conditions set out in the contract).

In the case of transferable securities that are unlisted or whose price has not been listed on the valuation date, as well as other items on the balance sheet, the Management Company's board of directors adjusts its valuation on the basis of variations that seem likely in view of current events.

Certain fixed-rate transactions with a maturity of over three months may be valued at market price.

## **II - Futures and options transactions**

### **Organised futures and options markets**

Derivatives listed on an organised market are valued on the basis of the settlement price.

### **Swaps**

Asset swaps are valued at market price based on the issuer's credit spreads indicated by the market-makers. In the absence of a market-maker, the spreads will be obtained by any means from the available contributors.

Asset swaps with a maturity of less than or equal to three months may be valued using the straight-line method.

Other swaps are valued at market price based on yield curves.

Complex instruments such as CDS, SES and complex options are valued according to their type using an appropriate method.

### **Forex forwards:**

These are valued at the currencies' exchange rate on the valuation date, allowing for the amortisation of contango/normal backwardation.

They may be valued at market price based on forward foreign exchange curves.

### **III - Off-balance-sheet commitments**

Off-balance sheet commitments are valued as follows:

#### **A) Commitments on futures markets:**

##### **1) Futures:**

Commitment = reference price (the prices at 5:00 p.m. on Bloomberg, Paris time) x nominal contract value x quantities.

With the exception of commitments under the Euribor contract traded on Liffe, which are recorded at their nominal value.

##### **2) Swap commitments:**

###### **a) Interest rate swaps**

Interest rate swaps with a maturity of three months or less  
backed: nominal value + accrued interest (interest differential)  
non-backed: nominal value + accrued interest (interest differential)

Interest rate swaps with a maturity exceeding three months.

backed:

- ° Fixed rate/variable rate
- Appraisal of the fixed-rate portion at market price
- ° Variable rate/variable rate
- Appraisal of the variable-rate portion at market price

non-backed:

- ° Fixed rate/variable rate
- Appraisal of the fixed-rate portion at market price
- ° Variable rate/variable rate
- Appraisal of the variable-rate portion at market price

###### **b) other swaps**

These will be appraised at market value.

#### **B) Commitments on options markets:**

Commitment = quantity x nominal contract value (portion) x price of underlying x delta

#### **IV- Currencies**

Foreign currency prices are converted into euros in accordance with the WMR rate (4:00 p.m. London time) for the currency on the day of valuation.

#### **V - Unlisted financial instruments and other securities**

- Financial instruments, the price of which has not been recorded on the day of valuation, are valued at the most recent officially published price or at their likely trading value, under the responsibility of the Management Company;
- Foreign securities are converted into the equivalent value in euros in accordance with the WMR rate on the day of valuation;
- The Management Company is responsible for appraising financial instruments not traded on a regulated market at their likely trading value;
- Other financial instruments are appraised at their market value as calculated by the counterparties, under the supervision and responsibility of the Management Company.

The valuations of unlisted financial instruments and the other securities referred to in this paragraph, together with the justifications for them, are communicated to the statutory auditor during its audit.

#### **⇒ Swing pricing mechanism of net asset value with trigger threshold (from 28 August 2017)**

As at 28 August 2017, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

Dealing costs are incurred relating to transactions carried out on the assets of the Fund as a result of the movements (subscriptions/redemptions) of the Fund's liabilities. The purpose of this mechanism, which is governed by a policy, is to protect the holders who remain in the Fund by making them bear the lowest possible cost. The result is an adjusted "swing" NAV.

If, on a NAV calculation date, the total net subscription/redemption orders of investors over all the Fund's share classes exceeds a predetermined threshold, on the basis of objective criteria by the management company as a percentage of net assets, the NAV may be adjusted upwards or downwards, to take into account readjustment costs attributable to net subscription/redemption orders, respectively. If the Fund issues more than one class of units, the NAV of each class of units is calculated separately, but any adjustment has the same impact on the total NAV of the unit classes of the Fund.

The readjustment and triggering cost parameters are determined by the management company and reviewed periodically. These costs are estimated by the management company on the basis of the transaction costs, the purchase and sale ranges, and any applicable taxes to the Fund.

The adjustment mechanism will be applied at some point in the future, however, it is not possible to predict accurately when or how often the management company will make such adjustments.

Investors are advised that the volatility of the Fund's NAV may not reflect only the volatility of the securities held in the portfolio due to the application of the adjustment mechanism.

The swing-out NAV is the only net asset value of the Fund and the only one communicated to unitholders of the Fund. However, in the event of an outperformance fee, it is calculated on the NAV before the adjustment mechanism is applied.

#### **B Accounting methods**

Income is recorded on the basis of revenues received.

Trading fees are stated in the specific Fund accounts and are not included in the price.



The weighted average cost price method is used for the settlement of securities. For derivative products, however, the FIFO (First In, First Out) method is used.

Additions to the portfolio are recorded at their acquisition price excluding fees and disposals are recorded at their sale price excluding fees.

## VII REMUNERATION

More information on the remuneration policy can be found online at [www.h2o-am.com](http://www.h2o-am.com).

## VIII ADDITIONAL INFORMATION FOR INVESTORS IN LUXEMBOURG

The addendum for investors in Luxembourg is dated 1<sup>st</sup> September 2021 and should be read in conjunction with and forms part of the prospectus dated 1<sup>st</sup> September 2021 of **H2O ADAGIO SP**, which can change at any time.

### **Paying and information Agent**

CACEIS Bank Luxembourg Branch, 5 Allée Scheffer, L-2520 Luxembourg.

The full prospectus, the Key Investor Information Documents, the management regulations and the annual and semi-annual reports, may be obtained, without charge, at the paying and information agent's address, CACEIS Bank Luxembourg Branch.

### **Payment of dividends (if applicable)**

CACEIS Bank Luxembourg Branch  
5, allée Scheffer  
L-2520 Luxembourg