UCITS governed by European Directive 2009/65/EC

H2O MULTIEQUITIES FCP

PROSPECTUS

DATED 29 DECEMBER 2023

I GENERAL FEATURES

- **NAME: H2O MULTIEQUITIES FCP**

Hereinafter referred to in this document as "the FCP", "the Fund" or "the UCITS".

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

French mutual fund (FCP).

- **INCEPTION DATE AND EXPECTED TERM:**

The Fund was created on 8 October 2020, for a period of 99 years, as part of a demerger operation provided for in Article L. 214-8-7 of the French Monetary and Financial Code.

- **DATE OF APPROVAL BY AMF:**

The Fund was approved by the *Autorité des marchés financiers* (AMF), the French financial markets authority, on 15 September 2020.

- **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
REUR (C) units	All subscribers, although private individuals in particular	One ten-thousandth of a unit	One ten-thousandth of a unit	FR0011008762	Accumulation	EUR	Estimated value at the demerger date
RUSD (C) units	All subscribers, although private individuals in particular	One ten-thousandth of a unit	One ten-thousandth of a unit	FR0011978204	Accumulation	USD	Estimated value at the demerger date
HCHF-R (C) units	All subscribers, although private individuals in particular	One ten-thousandth of a unit	One ten-thousandth of a unit	FR0011707520	Accumulation	CHF	Estimated value at the demerger date
HUSD-R (C) units	All subscribers, although private individuals in particular	One ten-thousandth of a unit	One ten-thousandth of a unit	FR0012971018	Accumulation	USD	Estimated value at the demerger date
IEUR (C) units	All subscribers, although institutional investors in particular	EUR 100,000	One ten-thousandth of a unit	FR0011008770	Accumulation	EUR	Estimated value at the demerger date
IUSD (C) units	All subscribers, although institutional investors in particular	USD 100,000	One ten-thousandth of a unit	FR0011559590	Accumulation	USD	Estimated value at the demerger date
HCHF-I (C) units	All subscribers, although institutional investors in particular	CHF 100,000	One ten-thousandth of a unit	FR0011707538	Accumulation	CHF	Estimated value at the demerger date

NEUR (C) units	Subscriptions in this unit are reserved for investors subscribing via distributors or intermediaries: - Subject to national legislation prohibiting all retrocessions to distributors, - Or that provide an independent advisory service as defined by the MiFiD II European regulation or individual portfolio management under mandate	One ten-thousandth of a unit	One ten-thousandth of a unit	FR0013198439	Accumulation	EUR	Estimated value at the demerger date
QEUR (C) units	Subscriptions in this unit are reserved for employees of H2O AM Group entities	EUR 20,000	One ten-thousandth of a unit	FR00140072V6	Accumulation	EUR	EUR 100

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

The latest annual report and asset composition details will be sent to the unitholder within eight working days of receipt of a written request addressed to:
H2O AM EUROPE
39 Avenue Pierre 1er de Serbie
75008 Paris, France
Email: info@h2o-am.com

Any further information may be obtained from H2O AM EUROPE 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).

1 Parties involved

- ***MANAGEMENT COMPANY:***

H2O AM EUROPE
Legal form: Société anonyme par actions simplifiée [simplified joint stock company]
Authorised by the Autorité des Marchés Financiers (AMF), the French Financial Markets Authority, under number GP-19000011
39 Avenue Pierre 1er de Serbie
75008 Paris, France

- ***DEPOSITARY AND CUSTODIAN:***

COMPANY NAME: CACEIS BANK
Legal form: credit institution approved by the ACPR (former CECEI)
Registered office: 89-91 Rue Gabriel Péri, 92120 Montrouge, France
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France
The functions of depositary and custodian of the UCITS' assets are performed by CACEIS Bank.

- ***CLEARING HOUSE:***

- Company name: CACEIS BANK
- Legal form: credit institution approved by the ACPR (former CECEI)
Registered office: 89-91 Rue Gabriel Péri, 92120 Montrouge, France
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

Under the authority of the Management Company, CACEIS Bank is entrusted with the liabilities management of the Fund and, to this end, is responsible for clearing and processing subscription and redemption orders relating to the units of the Fund.

- ***PRIME BROKER:***

None

- ***STATUTORY AUDITOR: KPMG AUDIT***

Represented by Ms Isabelle Bousquie
Registered office: Tour EQHO 2 avenue Gambetta CS60055, 92066 PARIS LA DEFENSE CEDEX 1

- ***MARKETING AGENTS:***

H2O AM EUROPE
39 Avenue Pierre 1er de Serbie
75008 Paris, France

The marketing agent is the entity that markets the Fund.

This list of marketing agents is not exhaustive, insofar as the Fund is listed on Euroclear.

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 financial management and valuation on behalf of H2O AM EUROPE
Registered office: 89-91 Rue Gabriel Péri, 92120 Montrouge, France
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France
Nationality: French

Delegation of financial management:
Company name: H2O MONACO S.A.M.
Legal form: a Monaco société anonyme (public limited company), authorised by the Commission de contrôle des activités financières (Commission for the Control of Financial Activities – Monaco) under number SAF 2017-04

Registered office: 24, boulevard Princesse Charlotte Monte Carlo, 98000 Monaco

The delegated investment manager will partially contribute to the investment management in collaboration with the management company.

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

II OPERATING AND MANAGEMENT CONDITIONS

1 General features

❑ 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 unitholders 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.

Type of unit: bearer.

- Division of units:

REUR, RUSD, HCHF-R, HUSD-R, IEUR, IUSD, HCHF-I, NEUR and QEUR units are split into ten-thousandths of a unit.

❑ ***FINANCIAL YEAR-END:***
Last trading day of September.
The end of the first financial year was the last trading day of September 2021.

❑ ***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/investment fund shares or units may be subject to taxation. The applicable tax system therefore depends on the tax provisions pertaining to the unitholder's individual situation and place of residence. Investors are advised to consult their usual financial adviser for information on the procedures that apply to their personal circumstances. We recommend that you seek advice on this matter.

2 Specific provisions

- ***ISIN CODES:***

Units	ISIN code
REUR (C) units	FR0011008762
RUSD (C) units	FR0011978204
HCHF-R (C) units	FR0011707520
HUSD-R (C) units	FR0012971018
IEUR (C) units	FR0011008770
IUSD (C) units	FR0011559590
HCHF-I (C) units	FR0011707538
NEUR (C) units	FR0013198439
QEUR units	FR00140072V6

- ***CLASSIFICATION:***

International equities.

- ***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:***

The Fund's objective is to outperform the MSCI Developed World Markets benchmark (net dividends reinvested) by 4.20% per year over its minimum recommended investment period for the IEUR and IUSD units, by 4.10% per year over its minimum recommended investment period for the NEUR units, 4.90% for the QEUR units and by 3.20% per year over its minimum recommended investment period for the REUR and RUSD units, after the deduction of management and operating fees.

The MSCI Developed World Markets benchmark index is denominated in euros for the IEUR, NEUR and REUR units and in US dollars for the IUSD and RUSD units.

The objective for the exchange rate risk hedged unit (HCHF-I) is to outperform the MSCI Developed World Markets Index by 4.20% per annum (net dividends reinvested) denominated in Swiss francs and hedged against EUR/CHF foreign exchange risk *(i.e., calculated in euros and adjusted for the difference between the Swiss interest rate (SARON (Swiss Average Rate Overnight)) and the Eurozone rate (1-month Euribor))* over its recommended minimum investment term and by 3.20% per annum over the recommended investment period for the HCHF-R units, after the deduction of operating and management fees.

The objective of the HUSD-R unit hedged against exchange rate risk is to outperform by 3.20% per annum the benchmark index over the recommended minimum investment term, after the deduction of operating and management fees.

The AMF reminds potential investors that the 4.20% outperformance objective for IEUR, HCHF-I and IUSD units, 3.20% for REUR, HCHF-R, HUSD-R and RUSD units, 4.90% for QEUR units, and 4.10% for NEUR units indicated in the preceding section "Management Objective" is based on the assumption that the Management Company actually achieves the respective outperformance targets, and it is not a guarantee or promise of any particular returns or performance by the Fund.

- ***BENCHMARK:***

The MSCI World Developed Markets Index is a share index representing the main global stock-market capitalisations in developed countries. The index adopted is not hedged against foreign exchange risk and is calculated with dividends reinvested.
The MSCI Developed World Markets Index is denominated in euros for the IEUR, REUR, NEUR and QEUR units and in US dollars for the IUSD and RUSD units.
For the units hedged against foreign exchange risk (HCHF-R and HCHF-I), the MSCI World Developed Markets Index is denominated in Swiss francs and hedged against the EUR/CHF foreign exchange risk (i.e., calculated in R/USD euros and adjusted for the difference between the Swiss interest rate (SARON (Swiss Average Rate Overnight)) and the Eurozone rate (1-month Euribor)).
For HUSD-R units hedged against exchange rate risk, the MSCI Developed World Markets Index is denominated in USD and hedged against the EUR/USD exchange rate risk (i.e. calculated in euros and adjusted for the differential between the SOFR (Secured Overnight Financing Rate) and Eurozone 1-month Euribor interest rates).

It is published by Morgan Stanley Capital International and is available at www.msci.com.
The benchmark index administrator is not listed in the register of administrators and benchmark indices held by ESMA.

The SARON (Swiss Average Rate Overnight) corresponds to the reference rate of the Swiss franc (CHF) interbank market and is calculated by SIX Financial Information AG.
The benchmark index administrator is listed in the register of administrators and benchmark indices held by ESMA. The benchmark is available on the website:
https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/indices/swiss-reference-rates.html

The SOFR (Secured Overnight Financing Rate) corresponds to the reference rate of the US dollar (USD) interbank market and is calculated by the New York Federal Reserve.
The benchmark administrator is the New York Federal Reserve. The benchmark is available on the website: https://www.newyorkfed.org/markets/reference-rates/sofr

The benchmark index administrator is not listed in the register of administrators and benchmark indices held by ESMA (central banks are exempt from this).

- ***INVESTMENT STRATEGY:***

A) Description of the strategies employed

H2O MultiEquities FCP is an international equities fund with the objective of outperforming its benchmark index by taking strategic and tactical positions, and arbitraging, on all international equity markets.

The team actively manages the Fund's overall equities exposure on a continuous basis, of between 60% and 150% of net assets.

The Fund may be invested in equities and similar securities or rights attached to holding equities in small and mid-cap companies or in emerging countries. Exposure to such securities not included in the benchmark index is limited to 30% of net assets.

Strategic component
The Fund's strategic positions are based on two major independent but complementary approaches which are its main performance drivers:

1) A "top-down" approach, whose main purpose is to decide the degree of exposure (beta) to international equity markets, its geographic breakdown and its sector breakdown. Positions are based on an overall analysis of the status of all capital markets. Within this approach, the management team also actively manages its currency positions to maximise expected performance.

2) A "bottom-up" market-neutral approach, whose purpose is to outperform the benchmark index (alpha) by taking relative-value positions based on close analysis of company characteristics (financial ratios, quantitative and qualitative management criteria).

1. "Top-down" approach

This is a three-pronged approach whereby the management team actively manages the portfolio's exposure to equities with durations generally exceeding 1 year:

- it decides the overall degree of exposure to international equity markets (between 60% and 150% of net assets);
- it decides asset allocation geographically (North America, Europe, Asia and emerging countries);
- it decides asset allocation by major sector (defensive, financial, cyclical, end-of-cycle stocks).

Independently of the positions taken on equities, the team actively manages exposure to currencies in the form of a "currency overlay" to ensure that the portfolio is exposed to currencies that it has identified as likely to rise in value.

The strategies employed on this approach look primarily at fundamentals such as macroeconomic analysis, capital flows, and relative and absolute market valuations. Strategic positions are decided jointly to make the most of the diversification offered by the investment universe.

2. "Bottom-up" approach

To exploit the opportunities identified at individual company level, the Fund takes relative value positions on durations generally exceeding six months that do not generate additional market exposure (systematically hedging positions). The purpose here is to achieve alpha (outperformance) relative to the benchmark index.
Such positions are set up by:

- intrasectoral arbitraging (simultaneously buying and selling equities within a given sector). Equity selection is based mainly on valuation criteria, growth prospects and quality of management.
- taking theme-based positions. These consist of buying into one or more companies that have strong performance potential or are exposed to an attractive theme and selling equities represented in the benchmark to neutralise the market effect. The factors underlying these themes are differentiated from those of the "top-down" strategy. The principle is to identify one or more themes that are financially attractive in terms of various criteria.

The selection criteria for this approach are based on a microeconomic analysis and the relative valuations of the candidate companies.
These positions are systematically hedged to avoid exposure to market risk.

Tactical component
When opportunities are identified over and above these two basic approaches, short-term tactical measures (less than two months) will be employed to best exploit short-term market anomalies:

- directional positions and short-term arbitrages on equity and currency markets through the use of derivatives;

- active management of implicit volatility through the use of options on equity indices (Eurostoxx 50, S&P 500, etc.), equity options and currency options. The main purpose of these strategies is to take advantage of the variance between implicit volatility and historical volatility. These tactics will be used only on an ancillary basis.

Tactical measures always stay within the Fund's overall equity exposure range of 60% to 150% of net assets.

In addition, and depending on market opportunities, management will be able to carry out transactions entered into and unwound on the same day.

SFDR:

With reference to the regulation known as the "SFDR Regulation" (Regulation (EU) 2019/2088 of the European Parliament of 27 November 2019 on sustainability-related disclosures in the financial services sector), this UCITS is not covered by either Article 8 or by Article 9 of SFDR, and consequently forms part of the category of funds covered by Article 6.

The main criteria taken into consideration in investment decisions are macro-economic analysis, the analysis of capital flows and the relative valuation of the markets.

Sustainability risks (as defined in the SFDR and the definition for which is reproduced in the Risk Profile section below) are integrated by means of systematic exclusions that are based on the regulations in force and on those sectors and countries that are subject to international sanctions.

In managing this UCITS, the Management Company also:

- excludes all companies involved in the production, use, stockpiling, sale and transfer of anti-personnel mines and cluster bombs, in accordance with the Ottawa and Oslo conventions;

- requires a further audit and the approval of the Management Company's compliance department for any investment linked to issuers based in countries defined as "high-risk" with regard to money laundering and terrorist financing (including, in particular but not exclusively, countries identified by the Financial Action Task Force (FATF) as having strategic deficiencies in their anti-money laundering and anti-terrorist financing systems, and those on the EU's lists of high-risk countries and non-cooperative jurisdictions for tax purposes).

The Management Company has adopted a strict controversial weapons and sector exclusion policy, which can be found on its website.

The UCITS is not currently able to integrate the Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors, owing to:

- a lack of available reliable data;

- the use of derivative financial instruments for which the PAIs have not yet been integrated or defined.

<u>B) Description of asset classes and forward financial instruments in which the Fund intends to invest and their contribution to the achievement of the management objective</u>

- **<u>Assets used:</u>**

- **<u>Equities:</u>**

At least 60% of the Fund is continuously exposed to equity or similar markets and rights attached to holding these equities in more than one country in the following main geographical regions: North America, Europe and Asia.

Up to 30% of the Fund's net assets may be invested in companies not included in the MSCI World Developed Markets Index. For diversification purposes, the Fund may invest in small and mid-cap companies and in emerging country equities.

- **Bond market instruments:**

As part of the Fund's management, the manager may invest in convertible or exchangeable bonds.
The Fund may also use bonds with residual maturities of one year or less for cash management purposes.

- **Money market instruments:**

For cash management purposes, the Fund may acquire money market instruments (treasury bills, annual interest treasury bills, commercial paper, Euro Commercial Paper and money market UCITS, investment funds or AIFs), repurchase and reverse repurchase agreements and deposits.

- **Currencies:**

The Fund may be exposed to any and all currencies, OECD and non-OECD, as buyer or seller.

The HCHF-R and HCHF-I unit classes are hedged against EUR/CHF risk to limit the impact of fluctuations in the EUR/CHF exchange rate on the Fund's performance in CHF. These unit classes therefore aim to achieve the best hedging against the EUR/CHF foreign exchange risk during the investment term of the Fund, which could affect performance.
HUSD-R units are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/USD exchange rate on the Fund's performance in USD.
These units aim to provide the best hedge during the investment term of the Fund against the EUR/USD exchange rate risk that might affect performance.

Recap of the main equity and currency investment limits	
Investments in equities of any country	Maximum 100% of net assets
of which equities not represented in the MSCI World Developed Markets Index	Maximum 30% of net assets
Exposure to equity markets	Between 60% and 150% of net assets
Exposure to OECD and non-OECD currencies	Maximum 500% of net assets

- **Special instruments:**

- Shares or units in UCITS/AIFs/investment funds

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

UCITS under **French law***	X
UCITS under **European law**	X
AIFs under **French law** which comply with Article R. 214-13 of the *Code monétaire et financier,* the French Monetary and Financial Code*	X
AIFs under **European law** which comply with Article R. 214-13 of the French Monetary and Financial Code*	X
Investment funds under **foreign (non-EU) law** which comply with Article R. 214-13 of the French Monetary and Financial Code*	X

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

The UCITS/investment funds or AIFs held by the Fund may be managed by the Management Company or by a legally affiliated company.

- **<u>Derivatives:</u>**

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 overexpose its portfolio.

- Strategy of using derivatives to achieve the management objective:

☒ **futures** are used:
- to obtain overall exposure to equity markets or geographic asset allocation to replace bearer securities,
- to arbitrage to take advantage of valuation differences between a future and its underlying asset.

☒ **options on equity and index futures markets** are used:
- to protect the portfolio from an increase in market volatility,
- to expose the portfolio to fluctuations in market volatility, or to hedge portfolio exposure,
- to expose the portfolio to declining market volatility;

☒ Equity and index swaps are used:
- to minimise stock exchange taxes;
- to arbitrage equities.

☒ **currency options** are used to manage exchange rate risk by exposing the portfolio to a currency or by hedging portfolio exposure.

☒ **exchange rate swaps** are widely used for cash management purposes.

☒ **CFDs** (Contracts for Difference) are derivatives whose underlying assets are usually equities and are functionally similar to an unlimited-duration equity swap. They allow positions to be taken without directly investing in the underlying asset. The Fund generally enters into CFDs to take long or short positions as part of its equities arbitraging strategy. In return for a variable-rate payment, they obtain performance and a portion of the income from the underlying asset(s).

☒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 Investment Manager 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.

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.

Transactions entered into and unwound on the same day will apply to derivative instruments traded on regulated markets and foreign exchange spot transactions. In particular, the modified duration characteristics of options (gamma) will be actively managed when approaching the ends of investment periods.

The table below details the Fund's operating conditions regarding derivatives.

TABLE OF DERIVATIVES

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

* See Investment Manager's policy for the execution of orders at www.h2o-am.com.

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 upon simple request to the Investment Manager. 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 in respect of the composition or management of the UCITS investment portfolio or the asset underlying the derivative.

- **<u>Securities with embedded derivatives:</u>**

The table below details the Fund's operating conditions regarding securities with embedded derivatives.

TABLE OF SECURITIES WITH EMBEDDED DERIVATIVES

	RISK TYPE					OPERATION TYPE			
Type of instrument used	Equities	Interest rate	Exchange rate	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	*Other(s)*
Warrants on									
Equities	X					X	X	X	
Interest rate									
Exchange rate									
Indices									
Subscription warrants									
Equities	X					X	X	X	
Interest rates									
Equity-linked products	X					X	X	X	
Convertible bonds									
Exchangeable bonds	X	X		X		X	X	X	
Convertible bonds	X	X		X		X	X	X	
Contingent convertibles									
Callable interest rate products									
Puttable interest rate products									
Structured EMTNs/ Medium-term negotiable securities									
Structured medium-term negotiable securities									
Structured EMTNs									
Credit linked notes (CLN)									
Other (to be specified)									

* See the Investment Manager's policy for the execution of orders at www.h2o-am.com.

- **<u>Deposits:</u>**

The Fund may make deposits with a maximum term of twelve months in compliance with the *Code Monétaire et Financier*, 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.

- **<u>Liquidities:</u>**

The Fund may hold cash on an ancillary basis.

- **<u>Cash borrowings:</u>**

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

- **<u>Temporary purchase and sale of securities:</u>**

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 100%.

Types of transaction used	
Repurchase and reverse repurchase agreements in accordance with the *Code Monétaire et Financier*, the French Monetary and Financial Code	X
Securities lending and borrowing in accordance with the French Monetary and Financial Code	X
Other	

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

- **<u>Information on the use of temporary sales and purchases of securities:</u>**

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 enter into 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.

Remuneration: further information is provided in the section on fees and commissions.

- **<u>Contracts constituting collateral:</u>**

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.

- ***TAXONOMY (REGULATION (EU) 2020/852):***

The investments underlying this Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

- **RISK PROFILE:**

Your money will be primarily invested in financial instruments selected by the Investment Manager. 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.

Discretionary management risk: the Fund's management style relies on anticipating changes in equity and currency markets. Consequently, there is a risk that the Fund will not be invested in the best-performing markets at all times.

Equity risk: this is the risk that equities and/or indices related to the portfolio's investments and/or exposure to equities or indices may fall.
Should this occur, the Fund's net asset value may fall.

Overexposure risk: as part of the method used to calculate commitment, risk budgets are determined for the various strategies. The UCITS will therefore have variable levels of exposure to the various types of risk stated in this prospectus.
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.

Small- and mid-cap risk: the Fund may invest in small and mid-cap companies. The traded volumes of such stocks are low, and therefore their share price fluctuations, both highs and lows, are more sudden than for large-cap companies. The Fund's net asset value may therefore behave in the same way.

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 default 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 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 sales transactions and/or falls in the case of purchase transactions), the net asset value of the UCITS may fall.

Foreign exchange risk: this is the risk of a fall in the value of the base currency of the Fund’s units or the currency of the markets in which the Fund is invested in relation to the currency of the investor’s country. It also includes 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 HCHF-R and HCHF-I units, denominated in CHF, the unit’s assets are hedged against foreign exchange risk related to the euro. Unitholders are therefore protected from this CHF/EUR foreign exchange risk.
For HUSD-R units, denominated in USD, the unit’s assets are hedged against the exchange risk related to the euro. Unitholders are therefore protected from this USD/EUR exchange rate risk.

Volatility risk: this is the risk of the net asset value falling due to an increase or decrease in volatility, unconnected from the performance of traditional bearer securities markets. Should volatility adversely affect the investment strategy, the Fund’s net asset value will fall.
If the Fund buys options and implicit volatility falls, the Fund’s net asset value will fall.
If the Fund sells options and implicit volatility increases, the Fund's net asset value will fall.

Credit risk: this is the risk of a variation in credit spreads arising from deterioration in the quality of the paper 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.

However, this risk is limited to investments linked to cash management.

Interest rate risk: this is the risk of a fall in the value of interest rate instruments due to fluctuations in interest rates.

However, this risk is limited to investments linked to cash management.

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).

Sustainability risk: means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

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

REUR, RUSD, HCHF-R, HUSD-R, IEUR, IUSD and HCHF-I units are aimed at all investors.
REUR, RUSD and HCHF-R units are primarily aimed at private individuals.
IEUR, IUSD and HCHF-I units are primarily aimed at institutional investors.
NEUR units are primarily aimed at private individuals investing through distributors, financial advisers, platforms or other intermediaries. The Q unit is reserved for employees of H2O AM Group entities. The Fund is aimed at investors seeking a performance linked to international equity markets over an investment period of at least the minimum recommended investment period.

Minimum recommended investment period: five years.

Subscribers residing in the territory of the United States of America are not authorised to subscribe to this UCITS.

In accordance with applicable EU regulations[1] introduced on 12 April 2022, and for as long as these remain in force, subscribers (natural persons and legal entities) of Russian or Belarusian nationality and/or residing or established in Russia or Belarus are not permitted to subscribe to this UCITS, without prejudice to any exceptions set out in these regulations.

Holders of RUSD and IUSD units, in US dollars, may suffer or benefit from movements in EUR/USD exchange rates.

The amount that it is appropriate to invest in this Fund will depend on the personal situation of each investor. To determine this amount, investors should consider their personal assets, the applicable regulations, their current and future financial needs over the recommended investment period and the level of risk they are prepared to accept.
Investors are strongly advised to diversify their assets so that they are not exposed solely to the risks of this Fund.

- ***PROCEDURES FOR DETERMINING AND ALLOCATING DISTRIBUTABLE INCOME:***

REUR (C), RUSD (C), HCHF-R, HUSD-R (C), IEUR (C), IUSD (C), HCHF-I (C), NEUR (C) and QEUR (C) units are accumulation units.

- **UNIT FEATURES:**

Unit classes	ISIN code	Base currency	Unit division	Minimum initial subscription	Minimum subsequent subscription
REUR (C) units	FR0011008762	EUR	Ten-thousandths	One ten-thousandth of a unit	One ten-thousandth of a unit
RUSD (C) units	FR0011978204	USD	Ten-thousandths	One ten-thousandth of a unit	One ten-thousandth of a unit
HCHF-R (C) units	FR0011707520	CHF	Ten-thousandths	One ten-thousandth of a unit	One ten-thousandth of a unit

[1] As at 1 June 2022, Regulation (EU) 833/2014, as amended, Regulation (EU) 398/2022 and Council Decision 2022/579.

HUSD-R (C) units	FR0012971018	USD	Ten-thousandths	One ten-thousandth of a unit	One ten-thousandth of a unit
IEUR (C) units	FR0011008770	EUR	Ten-thousandths	EUR 100,000	One ten-thousandth of a unit
IUSD (C) units	FR0011559590	USD	Ten-thousandths	USD 100,000	One ten-thousandth of a unit
HCHF-I (C) units	FR0011707538	CHF	Ten-thousandths	CHF 100,000	One ten-thousandth of a unit
NEUR (C) units	FR0013198439	EUR	Ten-thousandths	One ten-thousandth of a unit	One ten-thousandth of a unit
QEUR (C) units	FR00140072V6	EUR	Ten-thousandths	EUR 20,000	One ten-thousandth of a unit

- ***SUBSCRIPTION AND REDEMPTION PROCEDURES:***

Subscription and redemption orders are cleared at 12.30 p.m. on each net asset value calculation day (D). 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 EUR and GBP currencies:

D business day	D business day	D: NAV calculation day	D+1 business day	D+1 business day	D+1 business day
Clearing before 12.30 p.m. CET for subscription orders[1]	Clearing before 12.30 p.m. CET for redemption orders[1]	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions[1]	Settlement of redemptions[1]

[1]*Unless a specific deadline has been agreed with your financial institution.*

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

D business day	D business day	D: NAV calculation day	D+1 business day	D+3 business days	D+3 business days
Clearing before 12.30 p.m. CET for subscription orders[1]	Clearing before 12.30 p.m. CET for redemption orders[1]	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions[1]	Settlement of redemptions[1]

[1]*Unless a specific deadline has been agreed with your financial institution.*

Redemption capping mechanism (gates):

The management company may implement the so-called "gate mechanism" to spread redemption requests of the UCI's unitholders over several net asset values when they exceed a certain level, determined in an objective manner.

It may decide not to execute all redemptions at the same net asset value, irrespective of the implementation of the management strategy, in the event of exceptional circumstances such as liquidity conditions that affect the UCI's assets, and if the interests of unitholders or the general public so dictate.

Unitholders may also refer to the regulations of the UCI.

Description of the method used:

The UCI's unitholders are reminded that the threshold for triggering the gate mechanism is linked to the ratio between:

- the difference, at the same clearing date, between the number of units of the UCI whose redemption is requested or the total amount of these redemptions, and the number of units of the UCI whose subscription is requested or the total amount of these subscriptions; and

- the net assets or the total number of units of the UCI.

The gate trigger threshold will be 5% for all the UCI's unit classes.

This threshold is explained by the UCI's NAV calculation frequency, its management strategy and the liquidity of its assets. The threshold applies to cleared redemptions for all the UCI's assets rather than specifically depending on unit class.

When redemption requests exceed the gate trigger threshold, the management company may decide to honour them beyond the established cap and thus execute some or all orders that may be blocked.

The maximum period for applying the gate mechanism is set at 20 net asset values over three months. Therefore, the mechanism may not be triggered during more than 20 consecutive net asset values.

Information procedures for unitholders:

If the gate mechanism is activated, all UCI unitholders will be informed by any means via the management company's website: www.h2o-am.com.

The UCI's unitholders whose orders have not been executed will receive a specific notification as soon as possible.

Processing of non-executed orders:

Redemption orders will be executed in the same proportions for UCI unitholders having requested a redemption from the last clearing date. Non-executed orders will automatically be carried forwards to the next net asset value and will not take priority over new redemption orders sent for execution at the following net asset value. In any event, non-executed redemption orders that are automatically carried forwards may not be cancelled by the unitholders concerned of the UCI.

Exemption:

Return trips (i.e. a redemption request connected to and made at the same time as a subscription request on the same NAV date, with the same ISIN code, for the same number of units, via the same intermediary and on the same account) will not be considered for gating and will therefore be honoured as they are.

Example illustrating the mechanism in place :

If total redemption requests on the UCI's units are 10% of net assets and the trigger threshold is 5%, the management company may decide to honour requests up to 7.5% (i.e. execute 75% of the requests rather than 50% were it strictly applying the 5% cap).

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

The first net asset value will be established on 14 October 2020.

From this date, the net asset value is calculated on every Euronext Paris trading day, with the exception of French public holidays.

The net asset value of RUSD units will be calculated by translating euro-denominated REUR units into US dollars.

The net asset value of IUSD units will be calculated by translating euro-denominated IEUR units into US dollars.

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

H2O AM EUROPE
39 Avenue Pierre 1er de Serbie
75008 Paris, France
Website: www.h2o-am.com

- ***FEES AND COMMISSIONS:***

Subscription and redemption fees:

Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees charged by the UCITS serve to offset the charges it incurs when investing and divesting investors' holdings. Fees that are not paid to the Fund are paid to the Management Company, Marketing Agent, etc.

Fees charged to the investor, payable at the time of subscription or redemption	Basis	Rate scale
Maximum subscription fee not retained by the UCITS	Net asset value X Number of units	**For all R unit classes:** 3% maximum **For all I unit classes:** 1% maximum
Subscription fee reserved for the Management Company	Net asset value X Number of units	**QEUR units:** 10% maximum rate
Subscription fee retained by the UCITS	Net asset value X Number of units	None
Maximum redemption fee not retained by the UCITS	Net asset value X Number of units	None
Redemption fee retained by the UCITS	Net asset value X Number of units	None

Fees charged to the UCITS:

These charges cover:
- Financial management fees;
- Operating expenses and other services;
- Maximum indirect charges (commissions and management fees) for UCITSs that invest over 20% in other UCITSs, AIFs or investment funds;
- Transaction fees;
- Performance fees.

Fees charged to the UCITS	Basis	Rate scale
Financial management fees	Net assets	**Maximum rate** **For all I unit classes:** 0.80% incl. tax **NEUR units**: 0.90% incl. tax **For all R unit classes:** 1.80% incl. tax **QEUR units** 0.10% incl. tax
Operating expenses and other services	Net assets	**Maximum rate** **For all units:** 0.15% incl. tax
Outperformance fee	Positive difference between valued asset and reference asset	**IEUR, IUSD, HCHF-I, NEUR, REUR, RUSD and HUSD-R units:** 25% incl. tax of outperformance relative to the benchmark index defined in the "Performance fee" paragraph below. **QEUR units:** None
Transaction fees	Sum (capped at the monthly average of assets) of the notional amounts of transactions involving listed derivatives, excluding listed options.	Maximum rate 0.025% per month

Third parties, more specifically external distributors and delegated financial managers, may receive retrocessions of management fees. These external distributors and delegates may be H2O AM Group companies. Retrocessions of management fees are calculated as a percentage of the financial management fees. Unitholders should ask their distributor and/or management company for any additional information on retrocessions.

The following costs may be added to the fees charged to the UCITS and shown above:

- Exceptional and non-recurring debt recovery costs (e.g. Lehman Brothers proceedings) or costs to enforce a right (e.g. class action proceedings).
  Information on these fees is also described ex post in the annual report of the UCITS.

The operating expenses and other services correspond to the internal or external fees of the Management Company relating to:

I. Fund registration and benchmarking fees
- All costs related to the registration of the UCI in other Member States (including costs charged by advisers (lawyers, consultants etc.) for carrying out marketing procedures with the local regulator on behalf of the portfolio management company);
- UCI listing fees and publication of net asset values for investor information;
- Distribution platform fees (excluding retrocessions); agents in foreign countries involved in distribution: local transfer agent, paying transfer agent, facility agent etc.

II. Customer and distributor information costs
- Costs of compiling and distributing regulatory documentation and reports;
- Costs related to the disclosure of regulatory information to distributors;

- Provision of information to unitholders by any means (publication in the press, other);
- Information specific to direct and indirect unitholders: letters to unitholders etc.;
- Website administration costs;
- Translation fees specific to the UCI.

III. Data charges
- Licensing costs of the benchmark index used by the UCI;
- Costs of data used for redistribution to third parties (e.g. reuse of issuer ratings, index compositions, data etc.) ;
- Costs arising from specific client requests (e.g. a request to add two specific non-financial indicators to the reporting as requested by the client);
- Data charges for single products that cannot be amortised over several portfolios. Example: an impact fund requiring specific indicators;
- Audit fees and label promotion costs (e.g. SRI label, Greenfin label).

IV. Custodian, legal, audit, tax fees etc.
- Statutory auditors' fees;
- Fees related to the custodian;
- Fees related to account-holders;
- Fees related to the delegation of administrative and accounting management;
- Audit fees;
- Tax expenses including lawyers and external experts (recovery of withholding taxes on behalf of the Fund, local tax agent etc.);
- Legal fees specific to the UCI;
- Guarantee fees;
- Costs of creating a new Sub-fund that can be amortised over five years.

V. Fees related to compliance with regulatory obligations and regulatory reporting
- Costs of preparing regulatory reports for the regulator that are specific to the UCI (MMF reporting, AIFM, ratio overruns etc.);
- Mandatory professional association contributions;
- Contributions due for the management of this UCITS pursuant to 4° of II of Article L. 621-5-3 of the French Monetary and Financial Code;
- Exceptional and non-recurring taxes, fees and governmental duties (in relation to the UCITS);
- Operating fees for monitoring threshold crossings;
- Operating fees for the deployment of voting policies at Shareholders' Meetings.

VI. Operating expenses
Fees for compliance monitoring and control of investment restrictions where such restrictions arise from specific customer requests and are specific to the UCI.

VIII. Fees related to customer knowledge
Operating fees for customer compliance (due diligence and creation/updating of customer files).

Insofar as operating costs and other services are deducted in real terms, the UCITS may not inform its unitholders in a specific manner, nor offer them the possibility of redeeming their units at no cost in the event of an increase in these costs equal to or less than 10 basis points (0.1%) per calendar year; unitholders may then be informed by any means (for example, on the website of the portfolio management company, in the section relating to the UCITS in question). This information should be published before it takes effect.

Performance fee:
The HCHF-R and HCHF-I units are hedged against the foreign exchange risk for the portion of the assets affected by the EUR/CHF exchange rate. As such, slight differences in outperformance will arise when comparing the euro IEUR and REUR units. These differences are mainly linked to imperfections in the hedging against foreign exchange risk and to the difference between Swiss (SARON (Swiss Average Rate Overnight)) and Eurozone (1-month Euribor) interest rates.

HUSD-R units are hedged against exchange rate risk for the portion of the assets affected by the EUR/US dollar exchange rate. As such, slight differences in outperformance will arise when comparing the euro IEUR and REUR units. These differences are mainly linked to imperfections in the hedging against foreign exchange risk and to the difference between US (1-month SOFR [Secured Overnight Financing Rate]) and Eurozone (1-month Euribor) interest rates.

The performance of each of the Fund’s unit classes is calculated on the basis of changes in the net asset value (NAV) of this unit class.

The performance fee that applies to a particular unit class is based on a comparison of the valued assets of this unit class with its reference assets (a benchmark-based methodology).
Any underperformance of the Fund in relation to the benchmark must be offset before performance fees become payable, regardless of the underperformance period concerned.
The valued assets, reference assets and High-Water Mark are calculated for each unit class as follows:

a) The **valued assets** are equal to the amount of the Fund’s assets in the unit class concerned, valued in accordance with the rules applicable to the assets and taking into account the actual operating and management costs corresponding to this unit class.

b) The **High-Water Mark** (“HWM”), corresponds to the Fund’s highest NAV for the unit class concerned, recorded at the end of each observation period since the date the unit class was launched for which performance fees were charged.

c) During the observation period and each time the net asset value is calculated, the **reference assets** are adjusted for the amounts of subscriptions/redemptions applicable to this unit class and valued in accordance with the performance of the relevant reference index. At the beginning of the observation period:(i) if the valued assets at the end of the previous observation period are higher than the reference assets on that date, the reference assets are then equal to the HWM multiplied by the number of units in the unit class concerned on that same date; (ii) if the valued assets at the end of the previous observation period are lower than or equal to the reference assets on that date, or during the observation period, the reference assets are adjusted for subscriptions/redemptions and valued in accordance with the performance of the reference index applicable to the unit class.

The reference rate is the MSCI World Developed Markets index with dividends reinvested (denominated in euros) plus 4.20% per year for IEUR units, plus 4.10% for NEUR units and plus 3.20% for REUR units.
The reference rate is the MSCI World Developed Markets index with dividends reinvested (denominated in US dollars) plus 4.20% per year for IUSD units and plus 3.20% for RUSD units.
The reference rate is equal to the MSCI World Developed Markets index with dividends reinvested (adjusted for the differential between the Swiss SARON (Swiss Average Rate Overnight) interest rate and the eurozone 1-month Euribor rate)) plus 4.20% per year for HCHF-I units and plus 3.20% for HCHF-R units.
The reference rate is equal to the MSCI World Developed Markets index with dividends reinvested (adjusted for the differential between the US SOFR (Secured Overnight Financing Rate) interest rate and the eurozone 1-month Euribor rate) plus 3.20% for HUSD-R units.

We would like to remind you that information relating to the benchmark’s past performance can be found on the website www.h2o-am.com, as well as in the Fund’s monthly reports and annual report, which can also be found on the same website.

The observation period is defined as follows:

- Initial observation period:
  for I/C (USD), I/C (EUR), R/C (USD), R/C (EUR) units: from 08/10/2020 to the last trading day of September 2022.
- 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 greater of the assets recorded on 8 October 2020 and all the valued assets recorded on the final day of each of the observation periods established since the launch of the Fund. Since the UCITS is the result of a demerger operation provided for in Article L. 214-8-7 of the French Monetary and Financial Code, the assets recorded on 8 October 2020 will be the higher of the assets recorded on the day of the demerger and the reference assets of the demerged fund H2O MULTIEQUITIES from which the assets retained by the "H2O MULTIEQUITIES SP" ex H2O MULTIEQUITIES fund have been proportionally deducted.

If, during the observation period, the valued assets of a particular unit class exceed the reference assets as defined above, the performance fee will represent up to 25% of the difference between these two asset values. A provision for performance fees is then taken into account when calculating the net asset value.

If, during the observation period, the valued assets of a particular unit class are lower than the reference assets, the performance fee will be zero. In this case, any previously approved provision will be readjusted by a reversal.

The final performance fee will not be calculated until the end of the relevant observation period. The fee is then "crystallised" and, as such, may be charged. In the event of redemption during the observation period, the portion of the provision corresponding to the number of units redeemed accrues permanently to the Management Company and may be charged before the end of the observation period in progress.

As performance fees are based on the performance of each unit class, they are calculated daily and taken into account when calculating the NAV of the unit class concerned. This method cannot therefore ensure that the actual performance of each investment is individually monitored, which may, in some cases, result in residual inequity between unitholders.

In other words, and by way of example, any investors subscribing during a period of overperformance when a performance fee has been provisioned "lose less" if the net asset value falls, as they benefit from mitigation as a result of drawing on the provision, even though their investment did not contribute to establishing this provision. At the same time, investors who have already invested will not benefit from the full provision established since the beginning of the observation period in question (or from their subscription date, if this is after the beginning of this period).

Similarly, any investors subscribing during a period of underperformance when no performance fees have been provisioned "gain more" if the net asset value increases, as they benefit from their investment appreciating, without having contributed to establishing provisions as long as the valued assets of the unit class are lower than the reference assets. Nevertheless, for all unitholders, these investments reduce the returns required to make up the difference between the valued assets and the reference assets. Performance fees will therefore be provisioned sooner.

Furthermore, if the performance of a particular unit class over a given observation period is negative, performance fees may be charged under certain circumstances, if the performance of the reference index is worse than that of the unit class in question.

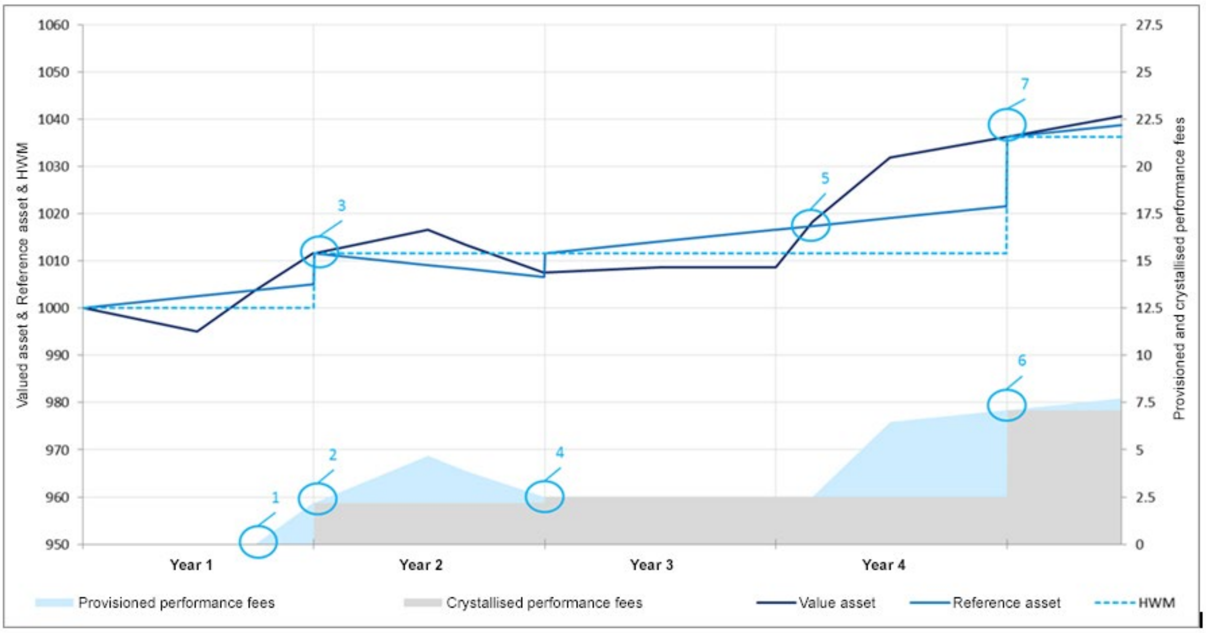
The simulations below illustrate several scenarios incorporating the assumptions of a lack of subscription/redemption flows for a given unit class and zero performance of the reference assets (i.e. the performance of the reference index is zero).

Year 1: The unit ends the first year with a positive performance. The performance fee, which was provisioned when the valued assets were higher than the reference assets (point 1), is then crystallised (point 2). The HWM is adjusted to the NAV recorded on the last day of the observation period (point 3).

Year 2: At the start of the second period, the reference assets are adjusted to the new HWM multiplied by the number of units.
The Fund ends the period with a negative performance but has outperformed its benchmark. The performance fee, which was provisioned when the valued assets were higher than the reference assets, is then crystallised (point 4). The HWM remains unchanged.

Year 3: At the start of the observation period, the reference assets are adjusted to the HWM multiplied by the number of units. Performance is positive, but the valued assets are still lower than the reference assets. The Fund makes no provisions for performance fees and no performance fee is crystallised at the end of the financial year. The HWM remains unchanged.

Year 4: At the start of the observation period and since, at the end of the previous year, the valued assets were lower than the reference assets,the reference assets were adjusted for subscriptions/redemptions and valued according to the performance of the benchmark, as during the observation period. Positive performance means that the valued assets are higher than the reference assets again (point 5) and the underperformance of year three has been offset. From this date on, provisions are once again made for performance fees. At the end of the observation period, the performance fee is crystallised (point 6) and the HWM is adjusted to the NAV recorded on that date (point 7).



<u>Information on remuneration generated through temporary purchases and sales of securities:</u>

All remuneration from these operations is retained in full by the Fund.

<u>Brief description of the selection procedure for intermediaries</u>:

The Investment Manager has implemented a selection and assessment procedure for intermediaries, which takes into account such objective criteria as quality of research, commercial monitoring and execution. This procedure is available at www.h2o-am.com.

III 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 EUROPE
39 Avenue Pierre 1er de Serbie
75008 Paris, France
E-mail: info@h2o-am.com

The documents will be sent within eight working days.

- These documents are also available at 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 EUROPE, from the marketing agents' branches and from the website at http://www.h2o-am.com.

COMMERCIAL DOCUMENTATION

Commercial documentation is available to the Fund's unitholders and subscribers online from www.h2o-am.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 taking account of criteria relating to compliance with social, environmental and governance (ESG) quality objectives can be found in the annual reports of the relevant UCITS and on the management company's website.

IV INVESTMENT RULES

The UCITS complies with the investment rules for UCITS as stipulated by the *Code Monétaire et Financier*, the French Monetary and Financial Code.

V OVERALL RISK

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

The indicative average level of leverage for the UCITS is 17. However, the UCITS has the possibility of reaching a higher level of leverage. The indicative level of leverage for the UCITS is calculated as the sum of the nominal positions on the financial contracts that are used.

The Value at Risk (VaR) of the Fund is limited to 1.9 times that of its benchmark index.

VI 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 closure 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 retrieved 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 for which the price 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/AIF and investment funds
Units or shares of UCITS or AIF or 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 are 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 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.

2 Futures and options transactions

Organised futures and options markets
Derivatives listed on an organised market are valued on the basis of settlement prices.

Swaps
Asset swaps are valued at the market price based on the residual maturity of the asset and the valuation of the issuer's credit spread (or the trend in its rating).
Asset swaps with a maturity of three months or less are valued using the straight-line method, except in the case of an exceptional market event.
Asset swaps with a residual maturity exceeding three months are valued at market price based on the 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.

Other swaps are valued in accordance with the following rules:
Swaps with a maturity of three months or less are valued using the straight-line method. Swaps with a residual maturity exceeding three months are valued using the turnaround rate in line with a zero-coupon curve.

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

Forward exchange contracts:
These are valued at the currencies' exchange rate on the valuation date, allowing for the amortisation of carry-forward/discount.
They may be valued at market price based on forward foreign exchange curves.

3 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/fixed 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/fixed 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.

4 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.

5 Unlisted financial instruments and other securities

- Financial instruments for which the price 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 their audit.

6 Swing pricing mechanism of net asset value with trigger threshold

Since the creation of the FCP, 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.

VIII ADDITIONAL INFORMATION ON FACILITIES FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

Facilities in Germany:

In accordance with Article 93(1) of Directive 2009/65/EC, find hereafter information on the facilities to perform the tasks referred to in Article 92(1) of this Directive:

- **Process subscriptions, repurchase and redemption orders and make other payments to unit-holders relating to the units of the UCITS**

  Subscriptions, repurchase and redemption orders can be addressed to CACEIS Bank having its registered address at 89-91 rue Gabriel Péri – 92120 Montrouge or to the Prime Transfer Agent reachable at: fdi-ta1@caceis.com

  Payments relating to the units of the UCITS will be made by CACEIS Bank having its registered address at 89-91 rue Gabriel Péri – 92120 Montrouge

- **Provide investors with information on how orders can be made and how repurchase and redemption proceeds are paid**

  Information on how orders can be made and how repurchase and redemption proceeds are paid can be obtained from H2O AM EUROPE having its registered address at 39, avenue Pierre 1er de Serbie, 75008 Paris, France and CACEIS Bank having its registered address at 89-91 rue Gabriel Péri – 92120 Montrouge.

- **Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to investors' exercise of their rights**

Information can be obtained from H2O AM EUROPE having its registered address at 39, avenue Pierre 1er de Serbie, 75008 Paris, France.

- **Make the information and documents required pursuant to Chapter IX of Directive 2009/65/EC available to investors**

Information can be obtained from H2O AM EUROPE having its registered address at 39, avenue Pierre 1er de Serbie, 75008 Paris, France.

- **Provide investors with information relevant to the tasks that the facilities perform in a durable medium**

H2O AM EUROPE having its registered address at 39, avenue Pierre 1er de Serbie, 75008 Paris, France.
This information can be obtained from Client Servicing (or is available in the Prospectus or on the H2O website www.h2o-am.com).

The latest issue, sale, repurchase or redemption price of the units is available at the registered office of the Fund, on the website www.h2o-am.com.
In addition, the issue and redemption prices are published on www.fundinfo.com and any notices to investors in the Federal Gazette ("www.bundesanzeiger.de").

Moreover, communications to investors in the Federal Republic of Germany will be by means of a durable medium (section 167 of the Investment Code) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the company rules which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds and
- the change of the fund into a feeder fund or the modification of a master fund.

<u>Contact information</u>

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