

# H2O EuroSovereign 3-5 years

## ACTIVE MANAGEMENT OF EUROPEAN GOVERNMENT BONDS

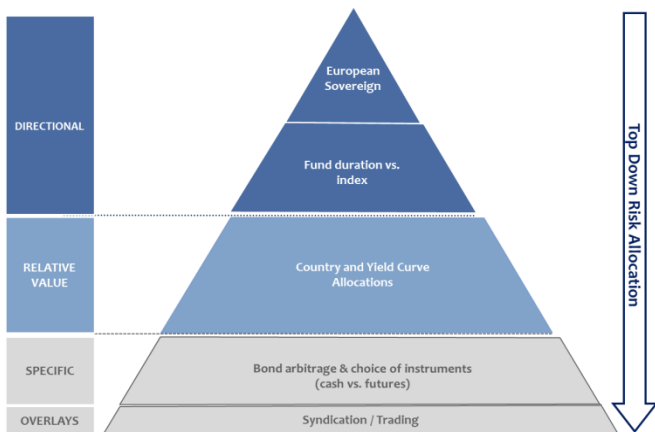
### 3 FUND HIGHLIGHTS

- 1 Euro zone government bond fund (without currency risk including European union bonds in euro) aiming to outperform the Bloomberg Barclays EuroAgg Treasury 3-5 years index (LET3TREU) over an investment horizon of 3 years with an indicative ex ante tracking error < 4%.
- 2 Diversification in relation to money market funds with an allocation to short maturities but also the possibility of diversifying on long maturities within risk limits.
- 3 Strategies benefiting from H2O's expertise in the bond markets, in line with its broad macroeconomic guidelines.

### 3 MAIN REASONS TO INVEST

H2O EuroSovereign 3-5 years is characterised by the active management of European sovereign bonds, which today, despite negative real yields, offer arbitrage opportunities due to investor constraints and the lack of safe haven assets.

<b>1 An arbitrage fund with relative strategies</b>	<b>2 Dynamic management of yield sensitivity over several horizons</b>	<b>3 Accessing H2O's expertise on European bond markets</b>
<p>The fund's core strategy is to generate Alpha through relative value opportunities in European bond markets. For instance, the fund benefited from country spread divergences among European nations.</p>	<p>The allocation of portfolio sensitivity between +1 and +7, yield curve adjustments, country arbitrages, as well as Investors' biases observed during sovereign issuances are the performance drivers of H2O EuroSovereign 3-5y.</p>	<p>The portfolio's active management provides exposure to multiple strategies combining a variety of sovereign issues from major countries within the Eurozone: Germany, France, Italy, Spain, Portugal, Greece, Austria, Slovenia, etc.</p>



### PROFILE

<ul style="list-style-type: none"> <li><b>INVESTMENT OBJECTIVE</b> To outperform the Reference Index</li> </ul>	<ul style="list-style-type: none"> <li><b>RISK LIMIT*</b> 2x Bench (99%, 20j)</li> </ul>
<ul style="list-style-type: none"> <li><b>INVESTMENT UNIVERSE</b> Index replication and active management. Overlays: Relative value on European bond markets Instruments: Cash and Futures</li> </ul>	<ul style="list-style-type: none"> <li><b>INVESTMENT HORIZON</b> 3 years</li> </ul>
<ul style="list-style-type: none"> <li><b>FUND LAUNCH DATE</b> 3 October 2019</li> </ul>	<ul style="list-style-type: none"> <li><b>REFERENCE INDEX</b> Bloomberg Barclays EuroAgg Treasury 3-5 years</li> </ul>
<ul style="list-style-type: none"> <li><b>DEVICES DISPONIBLES</b> EUR</li> </ul>	<ul style="list-style-type: none"> <li><b>LEGAL STRUCTURE</b> UCITS, compartment of the French SICAV H2O Invest</li> </ul>
<ul style="list-style-type: none"> <li><b>SHARE CLASSES &amp; TYPES AVAILABLE</b> Institutional - I/C</li> </ul>	

\* Parametric Value-At-Risk = maximum potential loss that a portfolio may incur over a given time horizon, with a given probability. Ex: if VaR (99%; 20d) = 10% -> over the next 20 days, there is a 99% chance that the portfolio will not lose more than 10% of its value - or, alternatively, that there is only a 1% probability that it will lose more than 10% of its value.

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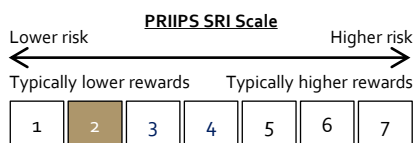
## ACTIVE MANAGEMENT OF EUROPEAN GOVERNMENT BONDS

### □ FUND FEATURES

Daily Valuation		I-C	SI-C	N-C
		EUR	EUR	EUR
Benchmark Anchored	ISIN	FR0013434941	FR0013434958	FR0013434974
	Allocation Income	Accumulation	Accumulation	Accumulation
	Fixed fees	0.45%	0.35%	0.55%
	Performance fees	-	-	-
	Min initial subscript <sup>o</sup>	100 000	100 000 000	0.0001 of a share

### □ RISKS

Investors should consider the investment objectives and risks involved. The fund invests exclusively in the European bond markets. These investments are sensitive to changes in interest rates. The fund is subject to specific risks, including credit risk, liquidity risk, counterparty risk and the risk associated with financial derivative instruments. An investor's capital will be at risk; you can get back less than you invested. Please refer to the full prospectus for more details on risks. To obtain this document, please contact your usual H2O AM contact or visit [www.h2o-am.com](http://www.h2o-am.com)



### Disclaimer

Important note: Investors should consider the investment objectives, risks, charges and expenses of the fund before investing. These pieces of information are detailed in the fund's prospectus and KIID. To obtain these documents, please contact your usual investment advisor or visit our website [www.h2o-am.com](http://www.h2o-am.com). All the funds listed above are managed by H2O Asset management

H2O EuroSovereign 3-5Y is a sub-fund of H2O Invest, a French SICAV with limited liability and segregated liability between sub-funds.

The Management Company, H2O AM EUROPE is authorized and regulated by the Autorité des Marchés Financiers under the AMF agreement number GP-19000011. The AMF Register can be accessed at <https://www.amf-france.org>;

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