

H2O INVEST PROSPECTUS DATED 16 APRIL 2026

I. GENERAL CHARACTERISTICS

☐ NAME

H2O INVEST, hereinafter referred to in this document as "the SICAV".

☐ LEGAL FORM AND MEMBER STATE IN WHICH THE UCITS WERE ESTABLISHED

Open-ended investment company with variable capital (SICAV) under French law, in the form of a simplified joint-stock company (SAS).

☐ SUB-FUNDS

H2O LARGO, *H2O EUROPEA (in liquidation)*, H2O EUROSOVEREIGN, H2O EUROSOVEREIGN 3-5 YEARS and H2O EUROAGGREGATE are sub-funds of the SICAV H2O INVEST, hereinafter referred to in this document as "the Sub-funds".

☐ INCEPTION DATE AND EXPECTED TERM

The SICAV was created on 10 June 2011 for a period of 99 years.

☐ DATE OF AMF APPROVAL

The SICAV was approved by the Autorité des Marchés Financiers (AMF), the French financial markets authority, on 15 April 2011.

☐ FUND OVERVIEW

H2O LARGO Sub-fund

Equities	ISIN code	Allocation of distributable income	Base currency	Subscribers concerned	Minimum initial subscription	Minimum subsequent investment	Initial net asset value
I/C (EUR)	FR0013282720	Accumulation	EUR	All subscribers, particularly institutional investors	100,000 EUR	One ten-thousandth of a share	100 EUR
N/C (EUR)	FR0013282738	Accumulation	EUR	All subscribers, particularly private individuals investing through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary	One ten-thousandth of a share	One ten-thousandth of a share	100 EUR
H-I/C* (USD)	FR0013282761	Accumulation	USD	All subscribers, particularly institutional investors	100,000 USD	One ten-thousandth of a share	100 USD
H-I/C** (CHF)	FR0013282795	Accumulation	CHF	All subscribers, particularly institutional investors	100,000 CHF	One ten-thousandth of a share	100 CHF
H-I/C*** (GBP)	FR0013283025	Accumulation	GBP	All subscribers, particularly institutional investors	100,000 GBP	One ten-thousandth of a share	100 GBP
R/C (EUR)	FR0013393261	Accumulation	EUR	All subscribers, essentially private individuals	One ten-thousandth of a share	One ten-thousandth of a share	100 EUR
H-R/C** (CHF)	FR0013393279	Accumulation	CHF	All subscribers, essentially private individuals	One ten-thousandth of a share	One ten-thousandth of a share	100 CHF

* Unit systematically hedged against EUR/USD currency risk
 ** Unit systematically hedged against EUR/CHF currency risk
 *** Unit systematically hedged against EUR/GBP currency risk
 The Sub-fund's reference currency is the euro (EUR).

Liquidation of H2O EUROPEA Sub-fund: subscriptions and redemptions are no longer possible

Equities	ISIN code	Allocation of distributable income	Base currency	Subscribers concerned	Minimum initial subscription	Minimum subsequent investment	Initial net asset value
SI/C (EUR)	FR0013410040	Accumulation	EUR	All subscribers, particularly institutional investors	1,000,000 EUR	One tenthousandth of a share	100 EUR
I/C (EUR)	FR0013410057	Accumulation	EUR	All subscribers, particularly institutional investors	100,000 EUR	One tenthousandth of a share	100 EUR
R/C (EUR)	FR0013410065	Accumulation	EUR	All subscribers, essentially private individuals	1 EUR	One tenthousandth of a share	100 EUR

H2O EUROSOVEREIGN Sub-fund

Equities	ISIN code	Allocation of distributable income	Base currency	Subscribers concerned	Minimum initial subscription	Minimum subsequent investment	Initial net asset value
I/C (EUR)	FR0013410867	Accumulation	EUR	All subscribers, particularly institutional investors	100,000 EUR	One tenthousandth of a share	100 EUR
SI/C (EUR)	FR0013410875	Accumulation	EUR	All subscribers, particularly institutional investors	100,000,000 EUR	One tenthousandth of a share	100 EUR
N/C (EUR)	FR0013410883	Accumulation	EUR	All subscribers, particularly private individuals investing through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary	One tenthousandth of a share	One tenthousandth of a share	100 EUR
R/C (EUR)	FR0013410891	Accumulation	EUR	All subscribers, essentially private individuals	One tenthousandth of a share	One tenthousandth of a share	100 EUR

H2O EUROSOVEREIGN 3-5 YEARS Sub-fund

Equities	ISIN code	Allocation of distributable income	Base currency	Subscribers concerned	Minimum initial subscription	Minimum subsequent investment	Initial net asset value
I/C (EUR)	FR0013434941	Accumulation	EUR	All subscribers, particularly institutional investors	100,000 EUR	One tenthousandth of a share	100 EUR
SI/C (EUR)	FR0013434958	Accumulation	EUR	All subscribers, particularly institutional investors	100,000,000 EUR	One tenthousandth of a share	100 EUR
N/C (EUR)	FR0013434974	Accumulation	EUR	All subscribers, particularly private individuals investing through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary	One tenthousandth of a share	One tenthousandth of a share	100 EUR
R/C (EUR)	FR0013434982	Accumulation	EUR	All subscribers, essentially private individuals	One tenthousandth of a share	One tenthousandth of a share	100 EUR

H2O EUROAGGREGATE Sub-fund

Equities	ISIN code	Allocation of distributable income	Base currency	Subscribers concerned	Minimum initial subscription	Minimum subsequent investment	Initial net asset value
R	FR0011007418	Accumulation	EUR	All subscribers, intended specifically for individuals	One ten-thousandth of a share	One ten-thousandth of a share	100 EUR
SI-B	FR0011007475	Accumulation	EUR	All subscribers, intended specifically for institutional investors	100,000,000 EUR	One ten-thousandth of a share	100 EUR
N	FR0012087799	Accumulation	EUR	All subscribers, intended specifically for private individuals investing through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary.	One ten-thousandth of a share	One ten-thousandth of a share	100 EUR
I	FR0013342540	Accumulation	EUR	All subscribers, intended specifically for institutional investors	100,000 EUR	One ten-thousandth of a share	100 EUR

□ ADDRESS WHERE THE LATEST ANNUAL AND INTERIM REPORTS AND ASSET COMPOSITION MAY BE OBTAINED

The latest annual and periodic documents and details of the assets will be sent to the shareholder within eight business 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 additional requests for information relating to this SICAV, specifically concerning its net asset value, may be obtained from H2O AM EUROPE.

The prospectus is also available on the website: www.h2o-am.com

□ 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 their regulatory requirements under Directive 2009/138/EC (Solvency II).

II. ADMINISTRATIVE AGENTS

□ PARTY RESPONSIBLE FOR FINANCIAL, ADMINISTRATIVE AND ACCOUNTING MANAGEMENT (HEREINAFTER, THE "MANAGEMENT COMPANY")

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

□ DELEGATION OF FINANCIAL MANAGEMENT FOR ALL SUB-FUNDS (EXCEPT H2O EUROPEA, H2O EUROSOVEREIGN AND H2O EUROSOVEREIGN 3-5 YEARS)

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 entity in charge of investment management will partly contribute to investment management alongside the Management Company.

The Management Company has not identified any conflicts of interest that may arise from this arrangement.

☐ **DEPOSITARY, CUSTODIAN, CLEARING HOUSE FOR SUBSCRIPTION AND REDEMPTION ORDERS BY DELEGATION OF THE FINANCIAL MANAGER AND ESTABLISHMENT RESPONSIBLE FOR HOLDING REGISTERS OF SHARES**

CACEIS BANK

Legal form: société anonyme à conseil d'administration (public limited company with a board of directors), credit institution approved by ACPR (formerly CECEI)

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

The depositary carries out the duties for which it is responsible under the laws and regulations in force and those contractually entrusted to it by the Portfolio Management Company. Above all, it must ensure that decisions taken by the Portfolio Management Company are lawful. Where applicable, it must take any protective measures it deems necessary. In the event of a dispute with the Management Company, it must inform the AMF. The depositary is independent of the Management Company.

The description of the delegated custodial duties, the list of custodians and sub-custodians of CACEIS Bank and information relating to conflicts of interest that may result from these delegations are available on the CACEIS website: <https://www.caceis.com/who-we-are/regulations/>.

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

☐ **PRIME BROKER:**

None.

☐ **STATUTORY AUDITOR:**

KPMG Audit

Represented by Christoph Coquettish

Address: Tour Eqho, 2 Avenue Gambetta, 92066 Paris La Défense, France

☐ **MARKETING AGENTS:**

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

Address: 39 Avenue Pierre 1^{er} de Serbie, 75008 Paris, France

Nationality: French

The marketing agent is the entity that markets the SICAV. The Management Company markets the SICAV.

The list of marketing agents is not exhaustive, insofar as the UCITS is listed on Euroclear. The Management Company would like to remind subscribers that not all marketing agents are appointed by or known to the company.

☐ **REPRESENTATIVE:**

Sub-delegated accounting services:

CACEIS FUND ADMINISTRATION

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

☐ **ADVISER:**

None.

☐ **ADMINISTRATIVE PROCEDURES OF THE SICAV, IDENTITY AND DUTIES WITHIN THE SICAV OF MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES:**

The company is administered by a Chairman.

The administrative procedures are specified in the Articles of Association.

The list of the Directors of the SICAV and the main functions that they perform is available in the SICAV's annual report. The members of those administrative and management bodies are responsible for disclosing this information.

1. GENERAL CHARACTERISTICS

1.1. *SHARE FEATURES:*

Form: SICAV with sub-funds

Rights associated with the share class:

The investor has a right of ownership to the SICAV's capital. The SICAV is managed by the Management Company, which acts on behalf of the shareholders and in their exclusive interest. Shareholders can be informed about changes affecting the SICAV by any means that conform to AMF guidelines.

Entry in a register, or establishment of procedures for fund administration:

Fund administration is performed by CACEIS BANK.

The shares are administered by EUROCLEAR FRANCE.

Voting rights:

The voting rights attached to the shares are detailed in the SICAV's Articles of Association.

Type of shares: registered and bearer.

Splitting of shares: the shares are split into ten-thousandths of a share.

1.2. *FINANCIAL YEAR-END:*

The last Paris Stock Exchange trading day in June.

The end of the first financial year is 31 December 2011.

1.3. *INFORMATION ON THE TAXATION SYSTEM:*

The SICAV and each Sub-fund are subject to the general tax system applicable to UCITS, which is likely to change according to the legislation in force.

The SICAV is not subject to corporation tax. The taxation rules applicable to the shareholder essentially concern the sales of shares or income distributions performed for their benefit. The applicable tax system depends on the tax provisions relating to the shareholder's particular situation. Investors are therefore advised to consult their usual financial advisers for information on the procedures that apply to them personally.

The H2O EUROPEA Sub-fund, which is in liquidation, is no longer eligible for the French equity savings plan (Plan d'Epargne en Actions - PEA), and has not been since 1 September 2025.

SUB-FUND: H2O LARGO

I. OPERATING AND MANAGEMENT PROCEDURES

1. SPECIFIC PROVISIONS

1.1. ISIN CODES

Equities	ISIN code
I/C (EUR)	FR0013282720
N/C (EUR)	FR0013282738
H-I/C (USD)	FR0013282761
H-I/C (CHF)	FR0013282795
H-I/C (GBP)	FR0013283025
R/C (EUR)	FR0013393261
H-R/C (CHF)	FR0013393279

1.2. CLASSIFICATION:

Bonds and/or international debt securities

1.3. HOLDING OF UNITS OR SHARES OF OTHER UCIs (UCITS OR AIFs) OR INVESTMENT FUNDS:

The Sub-fund may invest up to 10% of its net assets in units or shares in UCIs or investment funds.

1.4. MANAGEMENT OBJECTIVE

For I, R and N shares

The Sub-fund's objective is to outperform the daily capitalised €STR over its recommended minimum investment period by 0.40% per year for I shares, after deduction of operating and management expenses; by 0.30% per year over its recommended minimum investment period for the N share, after deduction of operating and management expenses; and by 0.10% per year over its recommended minimum investment period for the R share, after deduction of operating and management expenses.

For H-I/C (USD) shares

The objective of the Sub-fund is to outperform the daily capitalised SOFR (Secured Overnight Financing Rate) by 0.40% per year over its recommended minimum investment period for H-I/C (USD) shares, after deduction of operating and management expenses.

For H-I/C (CHF) and H-R/C (CHF) shares

The Sub-fund's objective is to outperform the daily capitalised SARON (Swiss Average Rate Overnight) by 0.40% per year over its recommended minimum investment period for H-I/C shares (CHF), after deduction of operating and management expenses; and by 0.10% per year over its recommended minimum investment period for the H-R/C share (CHF), after deduction of operating and management expenses.

For H-I/C (GBP) shares

The objective of the Sub-fund is to outperform the daily capitalised SONIA (Sterling Overnight Index Average) by 0.40% per year over its recommended minimum investment period for H-I/C (GBP) shares, after deduction of management and operating expenses.

Potential subscribers are reminded that the various performance objectives listed in this "Management objective" section are based on performance assumptions agreed by the Management Company and under no circumstances guarantee the Fund's return or performance.

1.5. BENCHMARK INDEX

For I, R and N shares: The €STR (Euro Short-Term Rate) is capitalised daily using the Overnight Indexed Swap (OIS) method. It corresponds to the interbank market benchmark rate in the eurozone. It is calculated by the European Central Bank. Further information on the benchmark index is available on its administrator's website: www.ecb.europa.eu.

The benchmark index administrator is not listed on the register of administrators and benchmark indices held by ESMA, as the ECB is exempt.

For H-I/C (USD) shares: The daily capitalised SOFR (Secured Overnight Financing Rate) (Overnight Indexed Swap or OIS method). It corresponds to the interbank market benchmark rate in US dollars (USD). It is calculated by the New York Federal

Reserve. The benchmark index administrator is the New York Federal Reserve. The benchmark index 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).

For H-I/C (CHF) and H-R/C (CHF) shares: The daily capitalised SARON (Swiss Average Rate Overnight) (Overnight Indexed Swap or OIS method). It corresponds to the interbank market rate of the Swiss franc (CHF). It is calculated by SIX Financial Information AG. The benchmark index 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 benchmark index administrator is listed in the register of administrators and benchmark indices held by ESMA.

For H-I/C (GBP) shares: The daily capitalised SONIA (Sterling Overnight Index Average) (Overnight Indexed Swap or OIS method). It corresponds to the interbank market benchmark rate for the pound sterling (GBP). It is calculated by the Bank of England. The benchmark index administrator is the Bank of England. The index is available on the website: <https://www.bankofengland.co.uk/markets/sonia-benchmark>.

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

2. INVESTMENT STRATEGY

2.1. DESCRIPTION OF STRATEGIES USED

The management implemented follows an absolute-return approach, combining strategic and tactical positions and arbitrage opportunities across international interest rate and currency markets.

This performance objective will be sought within a maximum ex ante Value at Risk (VaR) of 2.5%, with a confidence interval of 99% over 20 days.

The Sub-fund's performance has stronger links to relative trends among markets (relative and arbitrage positions) than to the general direction taken by the markets (directional positions).

For each asset class, the exposure is decided first and separately from the other asset classes.

The 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, an analysis of capital flows and relative market valuations.

The total modified duration of the portfolio will range from -1 to +1.

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 Sub-fund 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.

2.2. MANAGEMENT OF OECD GOVERNMENT BONDS

1. Active management of the portfolio's exposure to global bond market risk (in modified duration);
2. Allocation of the portfolio's modified duration (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 modified duration (positive or negative) as allocated 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]: specific use of flattening, restructuring or parallel 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).

2.3. 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.

2.4. CURRENCY MANAGEMENT

1. **Strategic exposure to the US dollar:** purchase or sale of the US dollar against all other currencies;
2. **Relative allocation between the three main currency "blocs":** "euro" bloc (euro, pound sterling, Norwegian and Danish krone, Swedish and Icelandic krona, Swiss franc, Polish zloty, Czech koruna, Hungarian forint); "yen" bloc (yen, 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.

For shares:

- H-SI/C (CHF), H-I/C (CHF) and H-R/C (CHF) denominated in CHF
- H-I/C (USD) denominated in USD
- H-I/C (GBP) denominated in GBP

they are hedged against currency risk to limit the impact of fluctuations in the EUR/currency exchange rate on the Sub-fund's performance. This exchange transaction therefore aims to achieve the best performance of the strategy during the investment term of the Sub-fund by hedging against the EUR/currency risk, which could affect the net asset value.

2.5. ARTIFICIAL INTELLIGENCE (AI)

Generative artificial intelligence can support investment research by strengthening analytical rigour, limiting behavioural biases and ensuring consistency of decisions. However, it does not replace the discretionary judgement of the fund managers. Its integration represents a natural evolution of the investment process, not a change in the macroeconomic discretionary framework already in place.

3. DESCRIPTION OF ASSET CLASSES AND FINANCIAL CONTRACTS IN WHICH THE SUB-FUND INTENDS TO INVEST AND THEIR CONTRIBUTION TO THE ACHIEVEMENT OF THE MANAGEMENT OBJECTIVE

3.1. EQUITIES

There will be no investment in equities. The holding of shares will be possible due to the exercise by the manager of i) conversion/exchange options of convertible bonds held in the portfolio or ii) call options associated with a security in the portfolio. It will be temporary and will remain incidental.

3.2. DEBT SECURITIES, EQUIVALENT SECURITIES AND FINANCIAL INSTRUMENTS

Bond market instruments:

Communication on the use of ratings: Investment in non-government bonds is governed by constraints based on the H2O AM internal rating ("rating") of issues or issuers.

These internal ratings are attributed by the Management Company following its credit analysis, to all non-government bonds in the portfolio, before and during their holding. This analysis does not rely exclusively or automatically on the ratings of credit rating agencies:

- if the security is referenced by an agency, then the rating is one element taken into account among others in the internal evaluation process;
- the absence of rating of the issue or issuer by rating agencies does not lead to the exclusion of the security from the investment universe.

Therefore, the classification by the Management Company of OECD non-government bonds as Investment Grade or Speculative Grade (the latter rating is attributed to all securities that are not rated Investment Grade) may differ from that of rating agencies, for example because of a difference in the assessment of the support provided to the issuer of the bond by an entity controlling the issuer, or because of a different assessment of the dynamics of the core quality of a bond issuer.

The Sub-fund may invest:

- up to 100% of net assets in bonds issued or guaranteed by OECD Member States (including bonds issued or guaranteed by the European Union or its institutions) or quasi-sovereign bonds without rating constraints;
- up to 20% of net assets in non-government bonds issued by companies with their registered office in an OECD country and classified as investment grade by the Management Company, including up to 10% of net assets in the most senior tranche of Asset-Backed Securities, including Mortgage-Backed Securities (ABS - securitisations of non-mortgage credit portfolios such as consumer loans, automotive loans, credit cards; MBS - securitisations of mortgage portfolios)
- up to 5% of net assets in:
 - government and/or quasi-sovereign and/or supranational and/or non-government bonds, issued by non-OECD countries, without rating constraints and denominated in G4 currencies (USD, EUR, GBP, JPY) or in local currencies;
 - and/or OECD non-government bonds classified as "Speculative Grade" by the Management Company.

It is specified that the investment limits described above authorise the sub-fund to invest in all types of bonds (including fixed-rate, variable-rate, index-linked, exchangeable, convertible and contingent convertible bonds, as well as others). However:

- the total exposure resulting from exchangeable, convertible and contingent convertible bonds may not exceed 10% of the net assets

Money market instruments:

The Sub-fund's cash position is managed through the acquisition of money market instruments (treasury bills, annual interest treasury bills, Commercial Papers, Euro Commercial Papers and short-term variable and standard net asset value money market UCITS/AIFs) and through reverse repurchase agreements and deposits.

3.3. CURRENCIES:

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

3.4. SUMMARY

Reminder of the main investment limits	
Sensitivity range for interest rates	[-1--+1]
Geographical region of issuers	All geographical areas
Base currency of securities	All currencies
OECD government bonds	Maximum 100% of the net assets
OECD non-government bonds rated "Investment Grade"	Maximum 20% of the net assets
of which securitised bonds (ABS & MBS)	Maximum 10% of the net assets
Non-OECD government and non-government bonds and/or OECD non-government bonds classified as "Speculative Grade" by the Management Company	Maximum 5% of the net assets

3.5. SPECIFIC INSTRUMENTS: SHARES/UNITS IN INVESTMENT FUNDS

On an ancillary basis, with a view to investing its liquid assets, up to 10% of the Sub-fund's assets may be exposed to shares or units of the following UCITS/AIFs/investment funds, including ETFs, 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 French Monetary and Financial Code*	X
European AIFs which comply with Article R. 214-13 of the French Monetary and Financial Code*	X
Investment funds under foreign law which comply with Article R. 214-13 of 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 UCITS or UCIs held by the Sub-fund may be managed by the Management Company or a legally affiliated company.

3.6. DERIVATIVES

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

The Sub-fund may use derivative instruments to over-expose its portfolio. The Sub-fund's commitment to forward financial instruments will be managed within a maximum ex ante Value at Risk (VaR) constraint of 2.5%, with a confidence interval of 99% over 20 days. It will not exceed this maximum amplification capacity.

TABLE OF DERIVATIVES

Type of instruments used	MARKET TYPE			RISK TYPE					OPERATION TYPE			
	Admission to regulated markets*	Organised markets	Over-the-counter markets	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Futures on												
Equities												
Interest rate	X	X			X			X	X	X	X	
Foreign exchange	X	X				X		X	X	X	X	
Indices	X	X			X	X	X	X	X	X	X	
Options on												
Equities												
Interest rate	X	X	X		X			X	X	X	X	
Foreign exchange	X	X	X			X		X	X	X	X	
Indices	X	X	X		X	X	X	X	X	X	X	
Swaps												
Equities												
Interest rate			X		X			X	X	X	X	
Foreign exchange			X			X		X	X	X	?	
Indices					X	X	X	X	X	X	X	
Foreign exchange forwards												
Currency(-ies)			X			X			X	X	X	
Credit derivatives												
Credit default swaps (CDS)			X				X		X	X	X	
First-to-default												
First-loss credit default swaps												

* See the investment manager's policy on order execution at www.h2o-am.com

The Sub-fund may enter into total return swaps (TRS) which seek to swap the performance of all or some of the assets held by the Sub-fund (and held by the Sub-fund's depositary) 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 50% of the net assets. Under normal market conditions, the investment manager expects such transactions to involve up to 25% of the Sub-fund's net 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 are selected by the investment manager in accordance with the counterparty selection procedure available on their website at the following address: www.h2o-am.com. The investment manager shall enter into such contracts with financial institutions that have their registered office in a Member State of the OECD and a minimum rating that meets the requirements of the investment manager.

These transactions are systematically covered by a signed contract between the investment manager and the counterparty that defines the procedures for reducing counterparty risk.

Counterparties do not have any discretionary decision-making powers in respect of the composition or management of the Sub-fund's investment portfolio or the assets underlying the derivative.

3.7. INFORMATION RELATING TO OVER-THE-COUNTER FINANCIAL CONTRACTS

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 investment manager. These transactions are systematically covered by a signed contract between the UCITS and the counterparty that defines the procedures for reducing counterparty risk.

The counterparty/counterparties does/do not have any discretionary decision-making powers over the composition or

management of the UCITS' investment portfolio or the assets underlying the derivative.

All these instruments will be used to hedge and/or expose the Sub-fund's portfolio against interest rate risk and/or to hedge the portfolio against currency risk.

3.8. SECURITIES WITH EMBEDDED DERIVATIVES

TABLE OF SECURITIES WITH EMBEDDED DERIVATIVES

Type of instruments used	RISK TYPE					OPERATION TYPE			
	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Warrants on									
Equities									
Interest rate		X				X	X	X	
Foreign exchange									
Indices		X		X		X	X	X	
Subscription warrants									
Equities									
Interest rate									
Equity link									
Convertible bonds									
Exchangeable bonds	X	X		X			X		
Convertible bonds	X	X		X			X		
Contingent convertible bonds	X	X		X			X		
Callable interest rate products	X	X	X	X			X		
Puttable interest rate products									
Structured EMTNs/MTNs									
Structured MTNs		X		X		X	X	X	
Structured EMTNs		X		X		X	X	X	
Credit-linked notes (CLN)									
Other (to be specified)									

* Please see the investment manager's order execution policy at www.h2o-am.com.

3.9. DEPOSITS

The Sub-fund may make deposits in compliance with the French Monetary and Financial Code for a maximum term of 12 months. These deposits, which will enable the Sub-fund to manage all or part of its cash, help to achieve its management objective.

3.10. CASH AND CASH EQUIVALENTS

The Sub-fund may hold cash and cash equivalents on an ancillary basis.

3.11. CASH BORROWINGS

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

3.12. TEMPORARY PURCHASES AND SALES OF SECURITIES

The investment manager may carry out temporary purchases and sales of securities (also known as securities financing transactions) up to a maximum of 100% of the assets. It is expected that 50% of the assets under management will be subject to securities financing transactions.

Types of transactions used	
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	

Types of operation, all of which must be limited to achieving the management objective	
Cash management	X
Optimisation of Fund earnings and performance	X
Other	

Types of transactions	Reverse purchase agreements	Repurchase agreements	Securities lending	Securities borrowing
Maximum proportion of net assets	100%	100%	100%	100%
Expected proportion of net assets	50%	50%	50%	50%

The assets that may be subject to such transactions are the assets described in the chapter "Description of asset classes" of this prospectus.

3.13. INFORMATION ON THE USE OF TEMPORARY PURCHASES/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 enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or into repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

Additional information on remuneration is provided in the section Fees and commissions.

3.14. CONTRACTS CONSTITUTING COLLATERAL

In connection with the conclusion of financial contracts and/or securities financing transactions, the Sub-fund 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 investment manager's eligibility policy for collateral in accordance with the regulations in force, and include the following categories:

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

The eligibility policy for collateral explicitly defines the level of collateral required and the discounts applied to each type of collateral on the basis of rules that depend on their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, valuation, 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:

- placed on deposit;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term variable net asset value money market undertakings for collective investment (UCI).

Collateral received other than in cash may not be sold, reinvested or pledged as security.

In accordance with the valuation rules laid down in this prospectus, the Management Company will conduct a daily valuation of collateral received on a mark-to-market basis. Margin calls will be made on a daily basis.

The collateral received by the Sub-fund will be held by the Sub-fund's depository or, failing that, by any third-party depository that is subject to prudential supervision and that has no connection with the provider of the collateral.

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

4. TAXONOMY (REGULATION EU 2020/852)

The underlying investments of the Sub-fund do not take into account the EU criteria set out in the Taxonomy Regulation for environmentally sustainable economic activities.

5. RISK PROFILE

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

The net asset value may fluctuate significantly due to the financial instruments included in the portfolio. This means that you may not get back all the capital you invested; this applies equally for investments made for the recommended investment period.

The various risks to which the Sub-fund is exposed may cause the net asset value of the Sub-fund to fall.

Risk of capital loss: the risk of capital loss results from selling a unit for less than the purchase price paid.

The Sub-fund offers no guarantee or protection, so you may not get back the full amount of your initial investment.

Credit risk: this is the issuer's default risk and the impairment risk that may affect portfolio securities resulting from changes in credit spreads or issuer margins of all categories of debt securities in the portfolio. This risk may lead to a fall in the net asset value. Securities with a rating below BBB- (S&P and Fitch Ratings) or Baa3 (Moody's) are classified as "Speculative Grade" and present a risk of late or even non-redemption of coupons and/or principal. In addition, under market conditions that have deteriorated, their valuation may be subject to significant fluctuations and negatively impact the Sub-fund's net asset value. This risk may be intensified by a lack of liquidity on the high yield bond market. It should be noted that high-yield securities are speculative securities.

Interest rate risk: the Sub-fund is permanently invested in fixed-income instruments. Accordingly, its net asset value may fall in a period of rising interest rates. Moreover, the higher the Sub-fund's modified duration (variation percentage of the net asset value when rates change by 1%), the higher the interest rate risk to which the Sub-fund is exposed, and vice versa. Because of its investment strategy, the Sub-fund is subject to a greater interest rate risk, its modified duration potentially going up to 1.

Risk taken in relation to the benchmark index: the risk that the Sub-fund's performance may deviate from that of its benchmark index. In accordance with the "Strategies employed" section, risks may be taken with regard to the benchmark index in order to achieve the management objective, which may result in the Sub-fund underperforming its benchmark index.

Counterparty risk: the Sub-fund uses forward financial instruments, over-the-counter instruments and/or temporary purchases and sales of securities. These transactions, entered into with one or more eligible counterparties, potentially expose the Sub-fund to the risk of one of these counterparties defaulting, which may cause them to default on payment.

The use of derivatives is likely to increase or limit interest rate risk and credit risk, within the limits described above and in the "Investment strategy" section.

If this risk occurs, it may lead to a decrease in the Sub-fund's net asset value.

Risk associated with emerging market securities: the securities of these countries may be difficult to trade or may even temporarily cease to be tradable, owing, 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 Sub-fund's normal operation in accordance with the UCITS' regulations and if the interests of investors so dictate. Moreover, since downward movements on emerging markets may be faster and more pronounced than on developed markets, the net asset value may decrease 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.

Currency 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 decrease.

For shares:

- H-I/C (USD) denominated in USD
- H-I/C (CHF) and H-R/C (CHF) denominated in CHF

- H-I/C (GBP) denominated in GBP

are hedged against currency risk to limit the impact of fluctuations in the EUR/unit currency exchange rate on the Sub-fund's performance.

These shares therefore aim to ensure that the strategy achieves the best possible performance during the investment term of the Sub-fund by hedging against the EUR/share currency risk, which could affect the net asset value.

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

The level of exposure depends in particular 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 decrease faster and/or to a greater extent than the markets underlying these risks.

Liquidity risk: the liquidity risk present in the Sub-fund represents the fall in price that the UCITS could potentially have to accept in order to sell certain assets for which there is insufficient market demand.

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 Sub-fund such as the counterparty risk defined above. The management of collateral may create risks for the Sub-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 Sub-fund is unable to reimburse the counterparty).

Risks associated with investment in exchangeable, convertible and contingent convertible bonds: the Fund may invest in exchangeable bonds, convertible bonds which are fixed-income securities that include an option to convert into equities, and "contingent convertible" bonds which are fixed-income securities that include an option to convert into equities at the initiative of the issuer in the event of a deterioration of their financial position.

The market value of convertible securities depends on both the level of interest rates and the estimation of future movements in the price of the underlying shares.

In addition to the credit risk and interest rate risk inherent in bonds, the exercise of this conversion option may cause the Fund's net asset value to decrease more significantly than in the case of conventional bonds from the issuer.

Sustainability risk: 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.

Artificial intelligence risk: Portfolio managers can use artificial intelligence tools in the research process. This results in a risk of using information that is inconsistent or misinterpreted by the tools.

These various risks may lead to a fall in the net asset value of the Sub-fund.

6. TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE:

The Sub-fund is open to all subscribers.

R and H-R shares are primarily aimed at private individuals.

I and HI shares are primarily aimed at institutional investors.

The N share is open to all subscribers and is specifically intended for private individuals who invest through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary.

The Sub-fund is intended for investors who want to invest the stable portion of their cash flow with the objective of outperforming the capitalised €STR for shares denominated in euro and respectively for the H-I/C (CHF), H-R/C (CHF), H-I/C (USD) and H-I/C (GBP) shares, the capitalised SARON, the capitalised SOFR and the capitalised SONIA over an investment period that is at least equal to the minimum recommended investment period.

The Fund's units may not be offered or sold in the United States of America to or on behalf of a "US Person" as defined by Regulation 902 of Regulation S under the United States Securities Act of 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.

In accordance with applicable EU regulations¹ 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.

The minimum recommended investment period is one year.

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

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

We strongly recommend that potential investors ensure their investments are sufficiently diversified and not exposed solely to the risks of this Sub-fund.

7. PROCEDURES FOR DETERMINING AND ALLOCATING DISTRIBUTABLE INCOME/ALLOCATION FREQUENCY

The Sub-fund is an accumulation sub-fund.

8. SHARE FEATURES

Equities	ISIN code	Base currency	Fractional shares	Minimum initial subscription	Minimum subsequent investment
I/C (EUR)	FR0013282720	EUR	Ten-thousandths	100,000 EUR	One ten-thousandth of a share
N/C (EUR)	FR0013282738	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share
H-I/C (USD)*	FR0013282761	USD	Ten-thousandths	100,000 USD	One ten-thousandth of a share
H-I/C (CHF)**	FR0013282795	CHF	Ten-thousandths	100,000 CHF	One ten-thousandth of a share
H-I/C (GBP)***	FR0013283025	GBP	Ten-thousandths	100,000 GBP	One ten-thousandth of a share
R/C (EUR)	FR0013393261	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share
H-R/C** (CHF)	FR0013393279	CHF	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share

* Unit systematically hedged against EUR/USD currency risk

** Unit systematically hedged against EUR/CHF currency risk

*** Unit systematically hedged against EUR/GBP currency risk

The Sub-fund's reference currency is the euro.

8.1. SUBSCRIPTION AND REDEMPTION PROCEDURES

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

Institution appointed to receive subscriptions and redemptions:

CACEIS BANK: 89–91 Rue Gabriel Péri, 92120 Montrouge, France,
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

Investors intending to purchase shares and shareholders wishing to redeem shares are asked to contact their normal marketing agent directly with regard to the deadline for the receipt of their subscription or redemption application. Investors' attention is drawn to the fact that the deadline applied by the marketing agent concerned may be earlier than the clearing time mentioned above, in order to take account of their deadline for sending orders to CACEIS BANK.

Orders are executed in accordance with the table below:

For shares denominated in EUR and GBP:

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

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

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

For shares denominated in other currencies:

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

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

Procedures for switching to another unit class and tax consequences: switching between two unit classes constitutes a sale followed by a subscription. It is likely to generate a taxable capital gain for the unitholder.

8.2. LIQUIDITY MANAGEMENT TOOLS

Net asset value adjustment mechanism (Swing pricing) with trigger threshold:

Since the creation of the Sub-fund, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their shares, bear the fees related to transactions carried out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. This mechanism, framed by a policy, is described in Section "Swing-pricing mechanism of the net asset value with trigger threshold".

Redemption capping mechanism (gates mechanism):

The Management Company may implement the so-called "gate mechanism" to spread redemption requests of the Fund's shareholders 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 impacting the Fund's assets, and if the interests of shareholders or the public so dictate.

Shareholders may also refer to the Fund's Articles of Association.

Description of the method used:

The Fund's shareholders 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 shares of the UCI whose redemption is requested or the total amount of these redemptions, and the number of shares of the UCI whose subscription is requested or the total amount of these subscriptions;
- and the net assets or the total number of shares of the UCI.

As the Fund has several share classes, the gate trigger threshold will be 5% for all the Fund's share 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 Fund's assets rather than specifically depending on share 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 gates 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. This maximum period will be null and void once the AMF General Regulation, which currently requires it, is amended.

Information procedures for shareholders:

If the gate mechanism is triggered, all the shareholders of the Fund will be informed by any means via the Management Company's website at www.h2o-am.com.

The Fund's shareholders whose orders have not been executed will be informed individually as soon as possible.

Processing of non-executed orders:

Redemption orders will be executed in the same proportions for Fund shareholders who have requested a redemption since the last clearing date. Non-executed orders will automatically be carried forward to the next net asset value and will not take priority over new redemption orders sent for execution at the next net asset value. In any event, redemption orders that are not executed and are automatically carried forwards may not be cancelled by the concerned Fund shareholders.

Exemption:

Round-trip transactions (when a share redemption request is made at the same time as and in connection with a subscription request on the same NAV date, with the same ISIN code, for the same number of shares, by the same intermediary and for the same account) will not be taken into account in the gate mechanism calculation and will therefore be honoured as they are.

Example:

If total redemption requests on the Fund's shares 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).

9. FREQUENCY OF NET ASSET VALUE CALCULATION

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

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

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

10. FEES AND COMMISSIONS

10.1. SUBSCRIPTION AND REDEMPTION FEES:

Subscription and redemption fees increase the subscription value paid by the investor or reduce the redemption value. The fees charged by the UCITS serve to offset the charges it incurs when investing and divesting investors' assets. Fees not paid to the UCITS will be paid to the marketing agents, except for those fees expressly reserved for the Management Company.

Fees charged to the investor and collected at the time of subscriptions and redemptions	Base	Rate/scale
Maximum subscription fee not payable to the Sub-fund	Net asset value * Number of shares	For all R and I share classes: 1% maximum
Maximum subscription fee payable to the Management Company	Net asset value * Number of shares	None
Subscription fee payable to the Sub-fund	Net asset value * Number of shares	None
Maximum redemption fee not payable to the Sub-fund	Net asset value * Number of shares	None
Redemption fee payable to the Sub-fund	Net asset value * Number of shares	None

10.2. FEES CHARGED TO THE SUB-FUND:

These fees cover:

- Financial management fees;
- Operating expenses and other services,
- Maximum indirect costs (management commissions and fees) for UCITS that invest over 20% in other UCITS or investment funds,
- Performance fees.

Fees charged to the Sub-fund	Base	Rate/scale
Financial management fees	Net assets	Maximum rate For I shares: 0.24% incl. tax For N shares: 0.34% incl. tax For R shares: 0.64% incl. tax
Operating and other service fees	Net assets	Maximum rate For I & N shares: 0.25% incl. tax For R shares: 0.15% incl. tax
Performance fee	Positive difference between valued assets and reference assets	All I, N and R shares: 20% incl. tax of the performance relative to the index method defined below

Third parties, in particular 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. Shareholders can direct any request for further information about these retrocessions to their distributor and/or the Management Company.

Exceptional and non-recurring debt recovery costs (e.g. Lehman Brothers proceedings) or costs to enforce a right (e.g. class action proceedings) may be added to the fees charged to the UCITS and shown above.

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:

- UCI 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.
- Customer and distributor information costs
 - Costs of compiling and distributing regulations and regulatory reports;
 - Costs related to the disclosure of regulatory information to distributors;
 - Provision of information to shareholders by any means (publication in the press, other);
 - Information specific to direct and indirect shareholders: Letters to shareholders ...;
 - Website administration costs;
 - Translation fees specific to the UCI.
- 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 in reporting, 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).
- 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.
- Fees related to compliance with regulatory obligations and regulatory reporting
 - Costs of preparing regulatory reports to the regulator specific to the UCI (MMF, AIFM, ratio overrun reporting etc.);
 - Mandatory professional association contributions;
 - Operating contributions paid to the Fonds de Garantie des Dépôts et de Résolution (Deposit Guarantee and Resolution Fund);
 - 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.
- 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.
- Fees related to customer knowledge
 - Operating fees for customer compliance (due diligence and creation/updating of customer files).

Insofar as operating expenses and other services are deducted in real terms, in the event of an increase in these costs equal to or less than 10 basis points (0.1%) per calendar year, shareholders may be informed by any means (e.g. on the website of the Portfolio Management Company, in the section relating to the UCITS in question) and not by means of specific information without being offered the possibility of redeeming their shares at no cost. This information should be published before it takes effect.

10.3. PERFORMANCE FEE:

The performance of each of the Sub-fund's share classes is calculated on the basis of changes in the net asset value (NAV) of this share class.

The performance fee that applies to a particular share class is based on a comparison of the valued assets of this share class with its reference assets (model based on a benchmark index). Any underperformance of the class of share concerned in relation to the benchmark index must be offset before performance fees become payable, regardless of the underperformance period concerned.

The valued assets and reference assets are calculated for each share class and are understood as follows:

- The **valued assets** are equal to the amount of the Sub-fund's assets in the share class concerned, valued in accordance with the rules applicable to the assets and taking into account the actual operating and management expenses corresponding to this share class.
- 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 share class and valued in accordance with the performance of the relevant benchmark 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 at that date, the reference assets will therefore be equal to the proceeds of the number of shares corresponding to the share class concerned at that date and the highest net asset value of the share class concerned, recorded at the end of each observation period since its launch date and for which performance fees have been charged (hereinafter referred to as "High Water Mark" or HWM);
 - (ii) if the valued assets at the end of the previous observation period are lower than or equal to the reference assets at that date, like during the observation period, the reference assets will be adjusted for subscriptions/redemptions and valued based on the performance of the benchmark index applicable to the

share class.

Since 1 January 2026, the benchmark index is equal to the performance of the daily capitalised €STR, plus:

- 0.40% per year for I/C (EUR) shares,
- 0.30% per year for N/C (EUR) shares,
- 0.10% per year for R/C (EUR) shares.

The benchmark index is equal to the performance of the daily capitalised SOFR, plus:

- 0.40% per year for H-I/C (USD) shares.

The benchmark index is equal to the performance of the daily capitalised SARON, plus:

- 0.40% per year for H-I/C (CHF) shares,
- 0.10% per year for H-R/C (CHF) shares.

The benchmark index is equal to the performance of the daily capitalised SONIA, plus:

- 0.40% per year for H-I/C (GBP) shares.

Previously, the benchmark index was equal to:

the performance of the daily capitalised €STR index increased by:

- 0.50% per year for I/C (EUR) shares,
- 0.40% per year for N/C (EUR) shares,
- 0.10% per year for R/C (EUR) shares.

the performance of the daily capitalised SOFR index increased by:

- 0.50% per year for H-I/C (USD) shares

the performance of the daily capitalised SARON index increased by:

- 0.50% per year for H-I/C (CHF) shares,
- 0.10% per year for H-R/C (CHF) shares.

the performance of the daily capitalised SONIA index increased by:

- 0.50% per year for H-I/C (GBP) shares,

The Sub-fund's performance is calculated according to changes in the net asset value of each share class. As a reminder, the data concerning the past performance of the reference indicator are mainly available in the KIDs, monthly reports and the annual report of the UCITS available on the following website: www.h2o-am.com

The observation period is defined as follows:

- Until 30 September 2021: from the first trading day of October to the last trading day of September the following year.
- Until 31 December 2022: from the first trading day of October to the last trading day of December the following year.
- For subsequent observation periods: from the first trading day of January to the last trading day of December.

To avoid artificial variations with the valued assets, the reference assets will be restated for the amounts of subscriptions/redemptions occurring between the recording date of these reference assets and the start of the new observation period.

If, during the observation period, the valued assets of a particular share class exceed the reference assets as defined above, a provision for the performance fee representing a maximum of 20% of the difference between these two asset amounts will be calculated when establishing the net asset value.

If, during the observation period, the valued assets of a particular share 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 shares 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 difference between the valued assets and the reference assets of each share class concerned, they are calculated daily and taken into account when calculating the NAV of the same share class. 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 shareholders.

In other words, and by way of example, any investors subscribing during a period of outperformance 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 shareholders, 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.

As a result, performance fees may be levied when the performance of a share class over a given observation period is negative, for example, where the change in the asset valued over the observation period is greater than the change in the reference asset over that period by movements in liabilities (subscriptions and/or redemptions) or by a performance of the benchmark index that is more negative than that of the share class concerned.

The simulations below illustrate several scenarios that incorporate the assumptions of a subscription during the period and a performance of the reference asset that is more negative than that of the share class concerned.

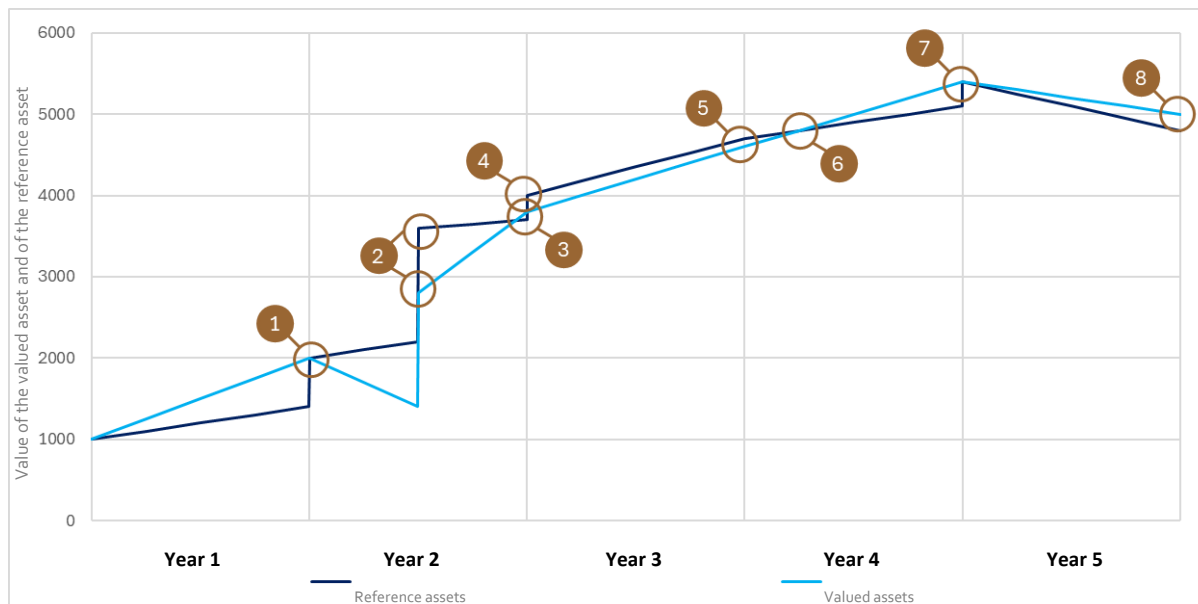
Year 1: The share class ends the first year with a positive performance. The performance fee, which was provisioned when the valued assets were higher than the reference assets, is then crystallised (point 1). The HWM is adjusted to the net asset value recorded on the last day of the observation period.

Year 2: At the start of the second period, the reference assets are adjusted to the new HWM multiplied by the number of shares. At the end of the period, the share class ended with a negative performance, however a large subscription during the period (point 2) followed by an outperformance of the share class compared to the benchmark index, resulting in the valued assets ending the period above the reference assets (point 3). During this observation period, the amount of losses recorded before subscription was recovered after subscription, however the performance of the share class over the period remains negative. The performance fee, which was provisioned when the valued assets were higher than the reference assets, is then crystallised. 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 shares (Point 4). As the net asset value of the share class ended the previous financial year under the HWM, this adjustment drives the reference assets above the valued assets. At the end of the period, performance is positive, but the valued assets are still lower than the reference assets (point 5). The Sub-fund makes no provisions for performance fees for this asset class and no performance fee is crystallised at the end of the financial year. The HWM remains unchanged.

Year 4: As no crystallisation was observed at the end of the previous financial year, no specific transactions at the beginning of the period are applied to the reference assets. During this financial year, positive performance means that the valued assets are higher than the reference assets again (point 6) and offsets the underperformance of year three. 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 7) and the HWM is adjusted to the net asset value recorded on that date.

Year 5: At the start of the fifth period, the reference assets are adjusted to the new HWM multiplied by the number of shares. At the end of the period, the share class ends with a negative performance, but it has outperformed the benchmark index. The performance fee, which was provisioned when the valued assets were higher than the reference assets, is then crystallised (point 8). The HWM remains unchanged.



11. FURTHER INFORMATION CONCERNING THE DISTRIBUTION OF INCOME FROM TEMPORARY PURCHASES AND SALES OF SECURITIES

All remuneration from these transactions is retained in full by the Sub-fund.

12. BRIEF DESCRIPTION OF THE SELECTION PROCEDURE FOR INTERMEDIARIES

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 the following address: www.h2o-am.com.

II. COMMERCIAL INFORMATION: INFORMATION PROCEDURES FOR SHAREHOLDERS

Distribution of the prospectus and annual and interim documents

These documents will be sent to shareholders upon written request to:

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

These documents will be sent to them within eight business days.

These documents are also available online at www.h2o-am.com

Further information can be obtained from the marketing agents' branches.

Communication of the net asset value

The net asset value can be obtained from H2O AM EUROPE, from branches of the marketing agents and at www.h2o-am.com

Commercial documentation

Commercial documentation is made available to shareholders of the SICAV on the Management Company's website www.h2o-am.com

Information in the event of an amendment to Sub-fund operations

Shareholders are informed of any changes concerning the Sub-fund in line with the procedures drawn up by the Autorité des Marchés Financiers (French Financial Markets Authority).

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

Environmental, Social and Governance (ESG) criteria

Information on the procedures for taking into account criteria relating to compliance with 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.

III. INVESTMENT RULES

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

In particular, the Sub-fund may invest up to 100% of its assets in securities guaranteed by a State, a local public authority and/or a public international organisation, provided that this 100% is spread over at least six issues, with none of them representing more than 30% of the assets.

IV. OVERALL RISKS

The calculation method used by the Sub-fund is the absolute Value-at-Risk method.

The indicative average leverage for the Sub-fund is 7. However, the Sub-fund may reach a higher level of leverage. The indicative leverage for the Sub-fund is equal to the sum of the nominal positions on the financial contracts that are used.

V. ASSET VALUATION AND ACCOUNTING RULES

1. ASSET VALUATION RULES

1.1. SECURITIES PORTFOLIO

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

The Sub-fund's portfolio is valued each time the net asset value is calculated and when the accounts are closed, at the closing price.

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

The Sub-fund complies with the accounting rules and methods prescribed by current regulations and with the UCITS chart of accounts, which on the prospectus publication date 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 EUR in accordance with the WMR rate for the currency on the valuation date.

Bonds

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

Transferable securities

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

In the case of transferable securities that are not listed or whose prices were not quoted on the valuation date, as well as other items on the balance sheet, the Management Company adjusts their valuations on the basis of changes that seem likely in view of current events. The statutory auditor is informed of these valuations and the justifications for them during their audits.

Foreign securities are converted into the equivalent value in EUR in accordance with the WMR rate on the valuation date.

UCITS/AIFs/investment funds

Units or shares of UCITS/AIFs or investment funds are valued at the last known net asset value. Foreign Undertakings for Collective Investment carrying out valuations at times that are incompatible with the calculation of the Sub-fund's net asset value are valued on the basis of estimates supplied by the administrators of these undertakings, under the supervision and responsibility of the Management Company.

Negotiable debt securities

Money market instruments are valued in accordance with the following rules:

- BTFs (French fixed-rate treasury bills) are valued on the basis of an average of contributed prices obtained from market makers,
- Unlisted variable-rate money market instruments are valued at cost price, adjusted to take into account any potential variations in credit spreads.
- other fixed-rate money market instruments (certificates of deposits, 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, money market instruments are measured 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, negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method.

Repurchase and reverse repurchase agreements on securities

Repurchase and reverse repurchase agreements on securities are measured at the contract price, adjusted for any margin calls (measured in accordance with the conditions set out in the contract).

In the case of transferable securities that are unlisted 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's Executive Board adjusts the valuation on the basis of variations that are likely in view of current events.

1.2. - FUTURES AND OPTIONS TRANSACTIONS

Organised futures and options markets

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

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 of more than three months are valued at the 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 maturity of more than three months are valued using the turnover rate method using a zero coupon yield curve.

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

Forward foreign exchange contracts

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

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

1.3. - OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are measured as follows:

Commitments on futures markets:

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.

Swap commitments:

- Interest rate swaps

Interest rate swaps with a lifetime of less than three months, secured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of less than three months, unsecured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of more than three months, secured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, secured, variable rate/fixed rate	Measurement of the variable-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, variable rate/fixed rate	Measurement of the variable-rate leg at market price

- Other swaps:

These will be measured at their market value.

Commitments on options markets:

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

Currencies

Foreign currency prices are converted into *euros* in accordance with the WMR rate (4.00 p.m., London time) on the valuation date.

Unlisted financial instruments and other securities

- Financial instruments for which the price has not been recorded on the valuation date 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 EUR in accordance with the WMR rate on the valuation date;
- Financial instruments not traded on a regulated market are valued at their likely trading value, under the responsibility of the Management Company;
- Other financial instruments are measured 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 passed on to the statutory auditor during their audits.

2. SWING-PRICING MECHANISM OF THE NET ASSET VALUE WITH TRIGGER THRESHOLD

The Management Company has implemented a net asset value (NAV) adjustment method with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their shares, bear the fees related to transactions carried out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. The purpose of this mechanism, which is governed by a policy, is to protect shareholders who remain in the Sub-fund by ensuring that they bear the lowest possible fees. This results in the calculation of an adjusted ("swung") NAV.

This means that if, on a NAV calculation day, the total number of net subscription/redemption orders from investors across all share classes of the Sub-fund exceeds a threshold that is predetermined, based on the objective criteria set out by the Management Company, as a percentage of net assets, the NAV can be adjusted upwards or downwards to take into account the readjustment costs attributable to the respective net subscription/redemption orders. If the Sub-fund issues several share classes, the NAV of each share class is calculated separately but any adjustment has the same impact, as a percentage, on all the NAVs of the Sub-fund's share classes.

The readjustment cost and trigger threshold parameters are determined by the Management Company and periodically reviewed. These costs are estimated by the Management Company based on transaction fees, purchase and sale price ranges and any taxes applicable to the Sub-fund.

It is not possible to accurately predict whether the adjustment mechanism will be applied in the future, or the frequency with which the Management Company will make such adjustments.

Investors are informed that the volatility of the Sub-fund's NAV may not only reflect that of securities held in the portfolio owing to the application of the adjustment mechanism.

The “swung” NAV is the Sub-fund’s only net asset value and the only one communicated to the Sub-fund’s shareholders. However, if there is a performance fee, this is calculated based on the NAV before the adjustment mechanism is applied.

3. ACCOUNTING METHODS

Income is recorded on a cash accounting basis.

Trading fees are recorded in the Sub-fund’s specific accounts and are not added to the price.

The weighted average cost method is used for the settlement of securities. In contrast, for derivatives, 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.

VI. REMUNERATION

H2O AM endeavours to ensure that remuneration is fair, and that it complies with regulations and is aligned with employee responsibilities, performance and conduct. The remuneration mechanisms are designed to ensure consistency, competitiveness and compliance with the company’s values and investment strategy.

An independent remuneration committee oversees compliance with these principles and evaluates the practices in force on an annual basis.

Variable remuneration depends on an assessment that integrates financial performance, non-financial criteria and risk management, including risks related to sustainability. Part of this remuneration may be deferred over three years as an investment in the funds managed by H2O AM.

Details of the remuneration policy are available at www.h2o-am.com

SUB-FUND: H2O EUROPEA

Attention:

On 24 June 2025, the EUROPEA Sub-fund was put into liquidation and its net asset value is now calculated monthly on the last business day of each month, or on the previous business day in the event that the Euronext Paris markets are closed. The content of its prospectuses and KIDs is no longer applicable and will no longer be updated.

From 1 September 2025, the EUROPEA Sub-fund is no longer eligible for the PEA.

Shareholders present in the Sub-fund at the liquidation date are hereby informed that the Sub-fund no longer being compliant with the PEA criteria is likely to have a significant impact on their tax situation, and we recommend that they contact their intermediary or a specialist advisor.

In particular, H2O EUROPEA shares held in the PEA should have been withdrawn within two months following 1 September 2025.

I. OPERATING AND MANAGEMENT PROCEDURES

1. SPECIFIC PROVISIONS

1.1. ISIN CODES

Equities	ISIN code
SI/C (EUR)	FR0013410040
I/C (EUR)	FR0013410057
R/C (EUR)	FR0013410065

1.2. CLASSIFICATION

None

1.3. HOLDING OF UNITS OR SHARES OF OTHER UCIS (UCITS OR AIFs) OR INVESTMENT FUNDS:

The Sub-fund may invest up to 10% of its net assets in units or shares in UCIs or investment funds.

1.4. INFORMATION ON THE TAXATION SYSTEM

The shares are eligible for the Plan d'Epargne en Actions (PEA) [Equity Savings Plan].

1.5. MANAGEMENT OBJECTIVE

For SI, I, R and N shares

The Sub-fund's objective is to achieve performance that is:

- 1.50% per year higher than that of the STOXX Europe 600 NDR over its minimum recommended investment period for SI shares, after deduction of ongoing charges;
- 1% per year higher than that of the STOXX Europe 600 NDR over its minimum recommended investment period for I shares, after deduction of ongoing charges;
- 0.60% per year higher than that of the STOXX Europe 600 NDR over its minimum recommended investment period for R shares, after deduction of ongoing charges;

1.6. BENCHMARK INDEX:

The STOXX Europe 600 net dividends reinvested is a stock market index composed of 600 of the main European large-cap stocks, devised by STOXX. This index has a fixed number of 600 components and includes large-cap companies from 18 European countries, covering around 90% of the free-float market capitalisation in the European stock exchange. The countries included in the index are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The STOXX Europe 600 NDR is denominated in euros.

It is published by STOXX Limited and is available at www.stoxx.com.

The benchmark index administrator is recorded on the register of administrators and benchmark indices held by ESMA.

2. INVESTMENT STRATEGY:

This Sub-fund will no longer meet the eligibility criteria of the PEA as of 01/09/2025 and its prospectuses + KIDs will no longer be updated.

2.1. DESCRIPTION OF STRATEGIES USED

A minimum of 75% of the SICAV's assets are invested in securities eligible for the PEA.

The Sub-fund is fund of equities from European Union countries, the aim of which is to replicate its benchmark index by establishing positions on all the equity markets of European Union countries, and to outperform its benchmark using a combination of strategic and tactical positions as well as arbitrage on all global fixed income and currency markets.

The Sub-fund's investment strategy will focus on two main areas:

- A strategy that aims to replicate the benchmark index ("Active Replication")
- A strategy focused on bond and foreign exchange market instruments ("the Overlay")

Active Replication

Active Replication aims to replicate the performance of the STOXX Europe 600 NDR index (the "benchmark index").

To achieve this, the Management Company or its delegated investment manager (hereinafter "investment manager") adopts an active management strategy consisting of investing in a basket of equities, the composition of which may differ from that of the benchmark index, and then swapping the performance of this basket for that of the benchmark index. Depending on how it views the market, the investment manager may reduce or increase exposure to the benchmark index; it may also expose a maximum of 10% of the Sub-fund's assets to equities that are not included in the benchmark index.

No assurance can be given as to whether the performance of the Active Replication will be identical to that of the benchmark index. In particular, it should be noted that no transaction charges will be incurred for the sale or purchase of securities. In addition, certain charges and tax considerations are deducted from the unit price of the equities; whereas these do not affect the benchmark index. Additional information on the benchmark index can be obtained from STOXX Limited in printed or electronic form.

The Overlay

The performance of the Overlay is related more to relative trends in the markets (relative positions and arbitrages) than to the general direction of these markets (directional positions).

For each asset class, the exposure is decided first and separately from the other asset classes.

The asset allocation is therefore a consequence of these exposure choices.

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

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 Sub-fund 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:

This Sub-fund will no longer meet the eligibility criteria of the PEA as of 01/09/2025 and its prospectuses + KIDs will no longer be updated.

a lack of available reliable data;

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

2.2. MANAGEMENT OF OECD GOVERNMENT BONDS:

1. **Active management of the portfolio's exposure to global bond market risk (in modified duration);**
2. **Allocation of the portfolio's modified duration** (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 modified duration** (positive or negative) as allocated 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]: specific use of flattening, restructuring or parallel 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).

2.3. 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.

2.4. CURRENCY MANAGEMENT:

1. **Strategic exposure to the US dollar:** purchase or sale of the US dollar against all other currencies;
2. **Relative allocation between the three main currency "blocs":** "euro" bloc (euro, pound sterling, Norwegian and Danish krone, Swedish and Icelandic krona, Swiss franc, Polish zloty, Czech koruna, Hungarian forint); "yen" bloc (yen, 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.

3. DESCRIPTION OF ASSET CLASSES AND FORWARD FINANCIAL INSTRUMENTS IN WHICH THE SUB-FUND INTENDS TO INVEST, AND THEIR CONTRIBUTION TO THE ACHIEVEMENT OF THE MANAGEMENT OBJECTIVE

3.1. SHARES:

As the Sub-fund is eligible for the PEA, at least 75% of its net assets are permanently invested in securities from issuers whose registered office is located in a European Union Member State. At least 90% of the Sub-fund is permanently exposed to equity markets or similar markets or to rights associated with holding equities on the equity markets of European Union countries.

As part of this diversification, the Sub-fund may invest in small-cap and mid-cap equities and equities from emerging countries.

3.1. DEBT SECURITIES, EQUIVALENT SECURITIES AND FINANCIAL INSTRUMENTS

Bond market instruments:

- Up to 100% of net assets may be exposed to bonds issued or guaranteed by OECD Member States with no rating restrictions;
- Up to 40% of net assets may be exposed to non-government bonds issued by companies whose registered office is located in an OECD country.

The investment manager relies on its teams and its own methodology to appraise credit risk.

In addition to this appraisal, the securities in question are subject to a minimum rating constraint corresponding to "Investment Grade" according to the investment manager'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 rated simultaneously 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".

This Sub-fund will no longer meet the eligibility criteria of the PEA as of 01/09/2025 and its prospectuses + KIDs will no longer be updated.

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 AA according to Standard & Poor's and Fitch Ratings or Aa2 according to Moody's), the investment manager will assess the case for keeping the securities in the portfolio or disposing of them, whilst maintaining the interests of shareholders as the principal criterion.

In this category of OECD non-government bonds, up to 20% of net assets may be exposed to 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 investment manager relies on its teams and its own methodology to appraise credit risk.

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

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

or an equivalent rating in accordance with the investment manager'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 investment manager's analysis.

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

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

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

Moreover, when the rating of an issue or an issuer of a security already present in the portfolio deteriorates and falls below the minimum rating. The investment manager will assess the case for keeping the securities in the portfolio or disposing of them, whilst maintaining the interests of shareholders as the principal criterion.

Still within this limit of 20% of net assets exposed to mortgage-backed securities or asset-backed securities, up to 10% of the Sub-fund's net assets may be exposed to ABS and MBS that are unrated upon issue or whose issuer is unrated upon issue.

- Up to 10% of the net assets may be exposed to OECD corporate bonds rated "Speculative Grade" at the time of their acquisition and non-OECD government and corporate bonds with no rating restrictions, issued in G4 currencies (USD, EUR, GBP, JPY) or in local currencies.
- Up to 10% of the net assets may be exposed to contingent convertible bonds.

Money market instruments:

The Sub-fund's cash position may be managed through the acquisition of money market instruments (treasury bills, annual interest treasury bills, commercial paper, Euro Commercial Paper and money market UCITS/Investment Funds or AIFs) and through repurchase agreements and deposits.

Currencies:

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

Summary:

Recap of the main limits for investment in equities and currencies	
Investment in equities from countries in the European Union	Minimum 75% and maximum 100% of net assets
Exposure to equity markets	Exposure of between 90% and 110% of net assets
Exposure to equities not included in the STOXX Europe 600 NDR index	Maximum 10% of the net assets
Overall modified duration range	[-1.5--+1.5]
Exposure to OECD government bonds	Maximum 100% of the net assets
Exposure to OECD non-government bonds rated "Investment Grade" at	Maximum 40% of the net assets

This Sub-fund will no longer meet the eligibility criteria of the PEA as of 01/09/2025 and its prospectuses + KIDs will no longer be updated.

purchase	
of which exposure to securitised bonds (ABS & MBS)	Maximum 20% of the net assets
Exposure to non-OECD government bonds or OECD non-government bonds rated "Speculative Grade" on purchase or non-OECD non-government bonds	Maximum 10% of the net assets

3.2. 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 Sub-fund's assets may be exposed to shares or units of the following UCITS/investment funds or AIFs, particularly 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 French Monetary and Financial Code*	X
European AIFs which comply with Article R. 214-13 of the French Monetary and Financial Code*	X
Investment funds under foreign 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 Sub-fund may be managed by the Management Company or a legally affiliated company.

3.3. 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 in times of cash flow movement associated with subscriptions/redemptions or in specific circumstances such as major market fluctuations.

The Sub-fund's commitment to financial contracts will be managed in accordance with the ex ante indicative annual "Tracking Error" (TE) limit of 5%.

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TABLE OF DERIVATIVES

Type of instruments used	MARKET TYPE			RISK TYPE					OPERATION TYPE			
	Admission to regulated markets*	Organised markets	Over-the-counter markets	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Futures on												
Equities	X	X	X	X					X	X	X	X
Interest rate	X	X	X		X				X	X	X	X
Foreign exchange	X	X	X			X			X	X	X	X
Indices	X	X		X	X	X	X	X	X	X	X	X
Options on												
Equities	X	X	X	X				X	X	X	X	X
Interest rate	X	X	X		X			X	X	X	X	X
Foreign exchange	X	X	X			X		X	X	X	X	X
Indices	X	X	X		X	X	X	X	X	X	X	X
Swaps												
Equities			X	X				X	X	X	X	X
Interest rate			X		X			X	X	X	X	X
Foreign exchange			X			X		X	X	X	X	X
Indices			X	X	X	X	X	X	X	X	X	X
Foreign exchange forwards												
Currency(-ies)			X			X		X	X	X	X	
Credit derivatives												
Credit default swaps (CDS)	X	X	X				X		X	X	X	X
First-to-default												
First-loss credit default swaps												

* See the investment manager's policy on order execution at www.h2o-am.com

The Sub-fund may enter into total return swaps (TRS) which seek to swap the performance of all or some of the assets held by the Sub-fund (and held by the Sub-fund's depository) 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. In a market environment where the investment perspective is neutral compared to the index, such transactions will involve a maximum of 100% of the Sub-fund's assets. Consequently, the Sub-fund will be neither underweighted nor overweighted by comparison with its index.

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 are selected by the investment manager in accordance with the counterparty selection procedure available on their website at the following address: www.h2o-am.com.

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

These transactions are systematically covered by a signed contract between the investment manager and the counterparty that defines the procedures for reducing counterparty risk.

Counterparties do not have any discretionary decision-making powers in respect of the composition or management of the Sub-fund's investment portfolio or the assets underlying the derivative.

3.4. INFORMATION RELATING TO OVER-THE-COUNTER FINANCIAL CONTRACTS:

Counterparties consist of leading credit institutions. They are selected and regularly assessed in accordance with the

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counterparty selection procedure, which is available on request from the investment manager. These transactions are systematically covered by a signed contract between the UCITS and the counterparty that defines the procedures for reducing counterparty risk.

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

3.5. SECURITIES WITH EMBEDDED DERIVATIVES:

The table below details the conditions that apply to the Sub-fund's investment in securities with embedded derivatives.

TABLE OF SECURITIES WITH EMBEDDED DERIVATIVES

Type of instruments used	RISK TYPE					OPERATION TYPE			
	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Warrants on									
Equities	X					X	X	X	X
Interest rate		X				X	X	X	X
Foreign exchange			X		X	X	X	X	X
Indices	X	X	X	X	X	X	X	X	X
Subscription warrants									
Equities	X					X	X	X	X
Interest rate									X
Equity link	X					X	X	X	X
Convertible bonds									
Exchangeable bonds	X	X		X			X		X
Convertible bonds	X	X		X			X	X	X
Contingent convertible bonds	X	X		X			X		X
Callable interest rate products		X	X	X	X	X	X		X
Puttable interest rate products		X	X	X	X	X	X		X
Structured EMTNs/MTNs									
Structured MTNs	X	X	X	X	X	X	X	X	X
Structured EMTNs	X	X	X	X	X	X	X	X	X
Credit-linked notes (CLN)		X		X	X	X	X	X	X
Other (to be specified)									

3.6. DEPOSITS:

The Sub-fund may make deposits with a maximum term of 12 months. These deposits, which will enable the Sub-fund to manage all or part of its cash, help achieve its management objective.

3.7. CASH AND CASH EQUIVALENTS:

The Sub-fund may hold cash and cash equivalents to the extent required for managing these flows.

3.8. CASH BORROWINGS:

The Sub-fund may borrow cash up to a limit of 10% of its assets if its cash account temporarily moves into a liability position as a result of its transactions (ongoing investments and divestments, subscription/redemption transactions etc.).

3.9. TRANSACTIONS INVOLVING TEMPORARY ACQUISITION/SALE OF SECURITIES:

The Sub-fund may carry out temporary purchases or sales of securities (also known as securities financing transactions), up to a limit of 100% of its assets, in strict compliance with the Fund's PEA ratio.

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Types of transactions used	
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	

Types of operation, all of which must be limited to achieving the management objective	
Cash management	X
Optimisation of Fund earnings and performance	X
Other	

3.10. INFORMATION ON THE USE OF TEMPORARY SALES AND PURCHASES OF SECURITIES:

The purpose of using temporary sales of securities is to obtain an additional return for the Sub-fund and therefore to contribute to its performance. Furthermore, the Sub-fund may enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or repurchase agreements to meet liquidity requirements.

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.

3.11. CONTRACTS CONSTITUTING COLLATERAL:

In connection with the conclusion of financial contracts and/or securities financing transactions, the Sub-fund 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 investment manager's eligibility policy for collateral in accordance with the regulations in force, and include the following categories:

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

The eligibility policy for collateral explicitly defines the level of collateral required and the discounts applied to each type of collateral on the basis of rules that depend on their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, valuation, 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:

- placed on deposit;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term money market undertakings for collective investment (UCIs).

Collateral received other than in cash may not be sold, reinvested or pledged as security.

In accordance with the valuation rules laid down in this prospectus, the Management Company will conduct a daily valuation of collateral received on a mark-to-market basis. Margin calls will be made on a daily basis.

The collateral received by the Sub-fund will be held by the Sub-fund's depository or, failing that, by any third-party depository that is subject to prudential supervision and that has no connection with the provider of the collateral.

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

3.12. TAXONOMY (REGULATION EU 2020/852):

The underlying investments of the Sub-fund do not take into account the EU criteria set out in the Taxonomy Regulation for environmentally sustainable economic activities.

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3.13. RISK PROFILE:

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

The net asset value may fluctuate significantly due to the financial instruments included in the portfolio.

Capital risk: the Sub-fund offers no guarantee or protection. Therefore, the capital initially invested may not be repaid in full.

Discretionary management risk: the Sub-fund's discretionary management style relies on anticipating the development of the various equity and currency markets. Therefore, there is a risk that the Sub-fund may not be invested in the best-performing markets at all times.

Equity risk: this is the risk of a decrease in the value of shares and/or indices, which is associated with the portfolio's investment in shares and/or exposure to indices.

If this risk occurs, it may lead to a decrease in the Sub-fund's net asset value.

Risk associated with small-cap and mid-cap companies: the Sub-fund may invest in the equities of small-cap and mid-cap companies. The volume of these securities listed on the stock market is low, so market fluctuations are therefore more pronounced in both upward and downward directions and are more rapid than with large-capitalisation companies. The net asset value of the Sub-fund may be similarly affected.

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

The level of exposure depends in particular 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 decrease faster and/or to a greater extent than the markets underlying these risks.

Counterparty risk: the Sub-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 Sub-fund to the risk of default of any of these counterparties, which may cause the latter to default on payment.

Risk associated with securitisation (ABS, MBS, RMBS etc.): the credit risk of securities issued via securitisation is largely determined by the quality of the underlying assets, which may vary in nature (bank debt, debt securities etc.). These instruments are complex and may involve legal risks and specific risks linked to the characteristics of the underlying assets. Should these risks materialise, the Sub-fund's net asset value may fall.

Risk associated with emerging market securities: the securities of these countries may be difficult to trade or may even temporarily cease to be tradable, owing, 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 Sub-fund's normal operation in accordance with the UCITS' Articles of Association and if the interests of investors so dictate. Moreover, since downward movements on emerging markets may be faster and more pronounced than on developed markets, the net asset value may decrease more sharply and rapidly.

Risks associated with investing in "contingent convertibles": the Sub-fund may invest in subordinated debt known as "contingent convertibles", which are fixed income securities that include either an equity conversion option or a security depreciation option, which is exercised if the issuer's level of capital falls below a predetermined threshold. In addition to the credit risk and interest rate risk inherent to bonds, the activation of this option may cause the Sub-fund's net asset value to fall more significantly than would be caused by other conventional bonds from the issuer.

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 Sub-fund may decrease.

Currency risk: this is the risk of a fall in the base currency of the Sub-fund's shares or that of the markets in which the Sub-fund is invested in relation to the currency of the investor's country. This is also 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 decrease.

Volatility risk: this is the risk of a drop in net asset value caused by a rise or fall in volatility which is decorrelated from the performance of traditional bearer securities markets. Should volatility adversely affect the strategies implemented, the net asset value will drop.

If the Sub-fund is purchasing options and implicit volatility drops, the Sub-fund's net asset value will fall.

If the Sub-fund is selling options and implicit volatility increases, the Sub-fund's net asset value will fall.

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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 Sub-fund's transactions, 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 Sub-fund is exposed may lead to a decrease in its net asset value.

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

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 Sub-fund, such as the counterparty risk defined above. The management of collateral may create risks for the Sub-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 Sub-fund is unable to 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.

4. TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE:

The Sub-fund is intended for all subscribers, particularly those holding a Plan d'Épargne en Actions (PEA) [Equity Savings Plan].

R/C (EUR) shares are primarily aimed at private individuals.

I/C (EUR) and SI/C (EUR) shares are primarily aimed at institutional investors.

N/C (EUR) shares are primarily aimed at private individuals investing through distributors, financial advisers, platforms or other intermediaries.

The Sub-fund is aimed at investors seeking performance linked to that of the 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 permitted to subscribe to this Fund.

In accordance with applicable EU regulations² 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.

The amount that might reasonably be invested in the Sub-fund depends on the individual circumstances 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.

We strongly recommend that potential investors ensure their investments are sufficiently diversified and not exposed solely to the risks of this Sub-fund.

5. PROCEDURES FOR DETERMINING AND ALLOCATING DISTRIBUTABLE INCOME:

R(C), I(C), SI(C) and N(C) shares are accumulation shares.

² As at 1 June 2022, Regulation (EU) 833/2014, as amended, Regulation (EU) 398/2022 and Council Decision (CFSP) 2022/579.

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6. UNIT FEATURES:

Share classes	ISIN code	Base currency	Fractional shares	Minimum initial subscription	Minimum subsequent investment
SI/C (EUR)	FR0013410040	EUR	Ten-thousandths	1,000,000 EUR	One ten-thousandth of a share
I/C (EUR)	FR0013410057	EUR	Ten-thousandths	100,000 EUR	One ten-thousandth of a share
R/C (EUR)	FR0013410065	EUR	Ten-thousandths	1 EUR	One ten-thousandth of a share

6.1. SUBSCRIPTION AND REDEMPTION PROCEDURES:

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

Investors intending to purchase shares and shareholders wishing to redeem shares are requested to contact their normal marketing agent directly with regard to the deadline for the receipt of their subscription or redemption applications, as this may be prior to the aforementioned clearing deadline.

Orders are executed in accordance with the table below:

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

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

Redemption capping mechanism (gates mechanism):

The Management Company may implement the so-called "gate mechanism" to spread redemption requests of the Fund's shareholders 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 impacting the Fund's assets, and if the interests of shareholders or the public so dictate.

Shareholders may also refer to the Fund's Articles of Association.

Description of the method used:

The Fund's shareholders 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 shares of the UCI whose redemption is requested or the total amount of these redemptions, and the number of shares of the UCI whose subscription is requested or the total amount of these subscriptions; and
- the net assets or the total number of shares of the UCI.

As the Fund has several share classes, the gate trigger threshold will be 5% for all the Fund's share 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 Fund's assets rather than specifically depending on share 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 gates 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 shareholders:

If the gate mechanism is triggered, all the shareholders of the Fund will be informed by any means via the Management Company's website at www.h2o-am.com.

The Fund's shareholders whose orders have not been executed will be informed individually as soon as possible.

Processing of non-executed orders:

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Redemption orders will be executed in the same proportions for Fund shareholders who have requested a redemption since the last clearing date. Non-executed orders will automatically be carried forward to the next net asset value and will not take priority over new redemption orders sent for execution at the next net asset value. In any event, redemption orders that are not executed and are automatically carried forwards may not be cancelled by the concerned Fund shareholders.

Exemption:

Round-trip transactions (when a share redemption request is made at the same time as and in connection with a subscription request on the same NAV date, with the same ISIN code, for the same number of shares, by the same intermediary and for the same account) will not be taken into account in the gate mechanism calculation and will therefore be honoured as they are.

Example:

If total redemption requests on the Fund's shares 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).

7. DATE AND FREQUENCY OF NET ASSET VALUE CALCULATION:

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

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

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

8. FEES AND COMMISSIONS:

8.1. SUBSCRIPTION AND REDEMPTION FEES:

Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees accruing to the Sub-fund serve to offset the costs borne by the Sub-fund for investing and divesting investors' assets. Remaining fees are paid back to the Management Company, marketing agent etc.

Fees charged to the investor, payable at the time of subscription or redemption	Base	Rate scale
Maximum subscription fee not payable to the Sub-fund	net asset value * number of shares	R/C (EUR) shares: 2% maximum SI/C (EUR) and I/C (EUR) shares: 1% maximum
Subscription fee payable to the Sub-fund	net asset value * number of shares	none
Maximum redemption fee not payable to the Sub-fund	net asset value * number of shares	none
Redemption fee payable to the Sub-fund	net asset value X number of shares	none

8.2. FEES CHARGED TO THE SUB-FUND:

These fees cover:

- Investment management fees;
- Operating expenses and other services;
- Maximum indirect costs (management fees and expenses) if the UCITS has an investment of more than 20% in other UCITS, AIFs or investment funds;
- Performance fees.

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Fees charged at Sub-fund	Base	Interest rate scale
Financial management fees	Net assets	Maximum rate SI/C (EUR) shares: Maximum 0.75% incl. tax I/C (EUR) shares: Maximum 0.95% incl. tax R/C (EUR) shares: Maximum 1.90% incl. tax
Operating and other service fees	Net assets	Maximum rate 0.15% incl. tax for all shares
Performance fee	None	None
Transfer fees	The sum (capped at the monthly average assets) of notional transactions on listed derivatives, excluding listed options.	None

Third parties, in particular 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 can direct any request for further information about these retrocessions to their distributor and/or the Management Company.

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:

- UCI 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.
- 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.
- 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).
- Custodian, legal, audit, tax fees etc.
 - Statutory auditors' fees;

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- 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.
- Fees related to compliance with regulatory obligations and regulatory reporting
 - Costs of preparing regulatory reports to the regulator 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.
- 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.
- Fees related to customer knowledge
 - Operating fees for customer compliance (due diligence and creation/updating of customer files).

Insofar as operating expenses and other services are deducted in real terms, in the event of an increase in these costs equal to or less than 10 basis points (0.1%) per calendar year, unitholders may be informed by any means (e.g. on the website of the Portfolio Management Company, in the section relating to the UCITS in question) and not by means of specific information without being offered the possibility of redeeming their units at no cost. This information should be published before it takes effect.

9. INFORMATION ON REMUNERATION GENERATED BY TEMPORARY PURCHASES AND SALES OF SECURITIES:

All remuneration from these transactions is retained in full by the Sub-fund.

10. BRIEF DESCRIPTION OF THE SELECTION PROCEDURE FOR INTERMEDIARIES:

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 on the website: www.h2o-am.com.

II. COMMERCIAL INFORMATION: INFORMATION PROCEDURES FOR UNITHOLDERS:

Distribution of the prospectus and annual and interim documents:

These documents will be sent to shareholders upon written request to:

H2O AM EUROPE
39 Avenue Pierre 1^{er} de Serbie, 75008 Paris, France
Email: info@h2o-am.com

These documents will be sent within eight business days.

These documents are also available online at www.h2o-am.com

Further information can be obtained from the marketing agents' branches.

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Communication of the net asset value:

The net asset value can be obtained from H2O AM EUROPE, from branches of the marketing agents and at www.h2o-am.com

Commercial documentation

Commercial documentation is made available online to investors and subscribers in the Sub-fund at www.h2o-am.com.

Information in the event of an amendment to Sub-fund operations

Shareholders are informed of any changes concerning the Sub-fund in line with the procedures drawn up by the Autorité des Marchés Financiers (French Financial Markets Authority).

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

Environmental, Social and Governance (ESG) criteria

Information on the procedures for taking into account criteria relating to compliance with 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.

III. INVESTMENT RULES

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

IV. OVERALL RISKS

The calculation method used by the Sub-fund is the relative Value-at-Risk method. The Sub-fund's VaR is limited to twice that of its benchmark index.

The indicative average leverage for the Sub-fund is four. However, the Sub-fund may reach a higher level of leverage. The indicative leverage for the Sub-fund is equal to the sum of the nominal positions on the financial contracts that are used.

V. ASSET VALUATION AND ACCOUNTING RULES

1. ASSET VALUATION RULES

1.1. SECURITIES PORTFOLIO

The Management Company has delegated accounting management (including the valuation of the Sub-fund's portfolio) to CACEIS FUND ADMINISTRATION.

The Sub-fund's portfolio is valued each time the net asset value is calculated and when the accounts are closed, at the closing price.

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

The Sub-fund complies with the accounting rules and methods prescribed by current regulations and with the UCITS chart of accounts, which on the prospectus publication date 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 EUR in accordance with the WMR rate for the currency on the valuation date.

Bonds

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

Transferable securities

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

In the case of transferable securities that are not listed or whose prices were not quoted on the valuation date, as well as other

This Sub-fund will no longer meet the eligibility criteria of the PEA as of 01/09/2025 and its prospectuses + KIDs will no longer be updated.

items on the balance sheet, the Management Company adjusts their valuations on the basis of changes that seem likely in view of current events. The statutory auditor is informed of these valuations and the justifications for them during their audits.

Foreign securities are converted into the equivalent value in EUR in accordance with the WMR rate on the valuation date.

UCITS/AIFs and Investment funds

Units or shares of UCITS or AIFs or investment funds are valued at the last known net asset value. Foreign Undertakings for Collective Investment carrying out valuations at times that are incompatible with the calculation of the Sub-fund's net asset value are valued on the basis of estimates supplied by the administrators of these undertakings, under the supervision and responsibility of the Management Company.

Money market instruments:

Money market instruments are valued in accordance with the following rules:

- BTFs (French fixed-rate treasury bills) are valued on the basis of an average of contributed prices obtained from market makers,
- Unlisted variable-rate money market instruments are valued at cost price, adjusted to take into account any potential variations in credit spreads.
- other fixed-rate money market instruments (certificates of deposits, 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, money market instruments are measured 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, negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method.

Repurchase and reverse repurchase agreements on securities

Repurchase and reverse repurchase agreements on securities are measured at the contract price, adjusted for any margin calls (measured in accordance with the conditions set out in the contract).

In the case of transferable securities that are unlisted 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's Executive Board adjusts the valuation on the basis of variations that are likely in view of current events.

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

1.2. FUTURES AND OPTIONS TRANSACTIONS

Organised futures and options markets

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

Swaps

Asset swaps are valued at market price, based on the issuer's credit spread, as 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 three months or less 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 or complex options are valued according to their type using an appropriate method.

Forward exchange contracts:

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

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

1.3. OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are measured as follows:

Commitments on futures markets:

Commitment = closing price x nominal contract value x quantity

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

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Swap commitments:

- Interest rate swaps

Interest rate swaps with a lifetime of less than three months, secured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of less than three months, unsecured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of more than three months, secured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, secured, variable rate/fixed rate	Measurement of the variable-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, variable rate/fixed rate	Measurement of the variable-rate leg at market price

- Other swaps

These will be measured at their market value.

Commitments on options markets:

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

Currencies

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

Unlisted financial instruments and other securities

- Financial instruments whose price has not been recorded on the valuation date are measured 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 EUR in accordance with the WMR rate on the valuation date;
- Financial instruments not traded on a regulated market are measured under the responsibility of the Management Company at their likely trading value;
- Other financial instruments are measured 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 passed on to the statutory auditor during their audits.

2. ACCOUNTING METHODS

Income is recorded on a cash accounting basis.

Trading fees are recorded in the Sub-fund's specific accounts and are not added to the price.

The weighted average cost 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.

VI. REMUNERATION

Details of the remuneration policy are available at www.h2o-am.com

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SUB-FUND: H2O EUROSOVEREIGN

I. OPERATING AND MANAGEMENT PROCEDURES

1. SPECIFIC PROVISIONS

1.1. ISIN CODES

Equities	ISIN code
I/C (EUR)	FR0013410867
SI/C (EUR)	FR0013410875
R/C (EUR)	FR0013410891
N/C (EUR)	FR0013410883

1.2. CLASSIFICATION

Bonds and/or debt securities denominated in euros.

1.3. HOLDING OF UNITS OR SHARES IN UCIS (UCITS OR AIFs) OR INVESTMENT FUNDS:

The Sub-fund may invest up to 10% of its net assets in units or shares in UCIs or investment funds.

1.4. MANAGEMENT OBJECTIVE:

The Sub-fund aims to outperform the Bloomberg Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR benchmark index (Bloomberg ticker: LEATTREU).

Potential subscribers are reminded that the performance objective indicated in this "Management objective" section is based on performance assumptions agreed by the Management Company and under no circumstances guarantees the Fund's return or performance.

1.5. BENCHMARK INDEX:

The benchmark index is the Bloomberg Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR.

The Bloomberg Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR index is composed of Investment Grade government bonds issued by the 19 countries in the Eurozone.

The supplier of the Bloomberg Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR index is Bloomberg Index Services Limited, whose website is: www.bloomberg.com.

The benchmark index administrator is recorded on the register of administrators and benchmark indices held by ESMA.

It must be noted that as the management of the Sub-fund is not index-based, the Sub-fund's performance may potentially differ considerably from that of its benchmark index.

2. INVESTMENT STRATEGY

2.1. DESCRIPTION OF STRATEGIES USED:

The Sub-fund's investment strategy aims to outperform the index over a three-year investment horizon by investing in European government bonds (Eurozone, Nordic, Central Europe), solely denominated in euros.

This performance objective will be sought in line with a maximum ratio of two between the estimated ex ante Value-at-Risk (VaR) at 20 days with a confidence interval of 99%, the Sub-fund and that of the benchmark index.

Management aims for an ex ante indicative average annual tracking error (TE) of [2%; 4%].

The overall modified duration of the portfolio falls within a range from +3 to +13.

The investment strategy is based on a top-down approach and relies in particular on macroeconomic analysis, an analysis of capital flows and relative market valuation of the various European sovereign bond markets (including bonds issued and/or guaranteed by the European Union or one of its institutions).

The Sub-fund is actively managed and derives its performance from the following strategies:

1. Active management of the portfolio's total modified duration within a range of +3 to +13;
2. Country allocation: arbitrage of the various European sovereign interest rate curves;

3. Curve sector allocation: arbitrage of curve segments of European sovereign interest rates;
4. Choice of instruments (securities, derivatives).

In order to achieve its objectives, the Sub-fund may intervene on the primary market (via auctions or syndications) or on the secondary market.

2.2. ARTIFICIAL INTELLIGENCE (AI)

Generative artificial intelligence can support investment research by strengthening analytical rigour, limiting behavioural biases and ensuring consistency of decisions. However, it does not replace the discretionary judgement of the fund managers. Its integration represents a natural evolution of the investment process, not a change in the macroeconomic discretionary framework already in place.

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 Sub-fund 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.

3. DESCRIPTION OF ASSET CLASSES AND FINANCIAL CONTRACTS IN WHICH THE SUB-FUND INTENDS TO INVEST AND THEIR CONTRIBUTION TO THE ACHIEVEMENT OF THE MANAGEMENT OBJECTIVE

3.1. EQUITIES

There will be no investment in equities.

3.2. DEBT SECURITIES, EQUIVALENT SECURITIES AND FINANCIAL INSTRUMENTS

Bond market instruments:

- Up to 100% of the net assets in bonds, exclusively denominated in euros, issued or guaranteed by the European Union (or one of its institutions) and/or the Member States of the eurozone and, on an ancillary basis, by those of the Nordic and Central European countries;
- non-European bonds: 0%;
- non-government bonds: 0%;
- collateralised bonds (ABS and MBS): 0%.

Money market instruments:

The Sub-fund's cash position is managed through the acquisition of money market instruments (treasury bills, annual interest treasury bills, Commercial Papers, Euro Commercial Papers and short-term variable and standard net asset value money market UCITS/AIFs) and through reverse repurchase agreements and deposits.

3.3. CURRENCIES

The Sub-fund is only exposed to the euro. The Sub-fund may only acquire bond securities denominated in euros.

As such, the Sub-fund does not bear any currency risk.

3.4. SUMMARY

Reminder of the main investment limits	
Overall modified duration range	[+3-+13]
Geographical region of issuers*	Europe
Base currency of securities	Euro exclusively
Currency risk borne*	0%

*Calculations carried out as a % of the Sub-fund's net assets

3.5. SPECIFIC INSTRUMENTS: SHARES/UNITS IN INVESTMENT FUNDS

On an ancillary basis, with a view to investing its liquid assets, up to 10% of the Sub-fund's assets may be exposed to shares or units of the following UCITS/AIFs/investment funds, including ETFs, 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 French Monetary and Financial Code*	X
European AIFs which comply with Article R. 214-13 of the French Monetary and Financial Code*	X
Investment funds under foreign law which comply with Article R. 214-13 of 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 UCITS or UCIs held by the Sub-fund may be managed by the Management Company or a legally affiliated company.

3.6. DERIVATIVES

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

These are an alternative to bearer securities, especially in times of cash flow movement associated with subscriptions/redemptions or in specific circumstances such as major market fluctuations.

The fund's exposure to derivative financial instruments will be managed in line with the maximum ratio of two between the estimated ex ante Value at Risk (VaR) at 20 days with a confidence interval of 99%, the Sub-fund and that of the benchmark index.

The table below details the Sub-fund's operating conditions regarding derivatives.

TABLE OF DERIVATIVES

Type of instruments used	MARKET TYPE			RISK TYPE					OPERATION TYPE			
	Admission to regulated markets*	Organised markets	Over-the-counter markets	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Futures on												
Equities												
Interest rate	X	X			X				X	X	X	
Foreign exchange												
Indices	X	X			X				X	X	X	
Options on												
Equities												
Interest rate	X	X	X		X				X	X	X	
Foreign exchange												
Indices	X	X	X		X				X	X	X	
Swaps												
Equities												
Interest rate			X		X				X	X	X	
Foreign exchange												
Indices			X		X							
Foreign exchange forwards												
Currency(-ies)			X			X			X			
Credit derivatives												
Credit default swaps (CDS)												
First-to-default												
First-loss credit default swaps												

* Please see the investment manager's order execution policy at www.h2o-am.com.

The Sub-fund may enter into total return swaps (TRS) which seek to swap the performance of all or some of the assets held by the Sub-fund (and held by the Sub-fund's depository) 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 50% of the net assets. Under normal market conditions, the investment manager expects such transactions to involve up to 25% of the Sub-fund's net 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 are selected by the investment manager in accordance with the counterparty selection procedure available on their website at the following address: www.h2o-am.com. The investment manager shall enter into such contracts with financial institutions that have their registered office in a Member State of the OECD and a minimum rating that meets the requirements of the investment manager.

These transactions are systematically covered by a signed contract between the investment manager and the counterparty that defines the procedures for reducing counterparty risk.

Counterparties do not have any discretionary decision-making powers in respect of the composition or management of the Sub-fund's investment portfolio or the assets underlying the derivative.

3.7. INFORMATION RELATING TO OVER-THE-COUNTER FINANCIAL CONTRACTS

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 investment manager. These transactions are systematically covered by a signed contract between the UCITS and the counterparty that defines the procedures for reducing counterparty risk.

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

All these instruments will be used to hedge and/or expose the Sub-fund's portfolio against interest rate risk and/or to hedge the portfolio against currency risk.

3.8. SECURITIES WITH EMBEDDED DERIVATIVES

The Sub-fund will not invest its assets in securities with embedded derivatives.

3.9. DEPOSITS

The Sub-fund may make deposits in compliance with the French Monetary and Financial Code for a maximum term of 12 months. These deposits, which will enable the Sub-fund to manage all or part of its cash, help to achieve its management objective.

3.10. CASH AND CASH EQUIVALENTS

The Sub-fund may hold cash and cash equivalents on an ancillary basis.

3.11. CASH BORROWINGS

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

3.12. TEMPORARY PURCHASES AND SALES OF SECURITIES

The investment manager may carry out temporary purchases and sales of securities (also known as securities financing transactions) up to a maximum of 100% of the assets. It is expected that 50% of the assets under management will be subject to securities financing transactions.

Types of transactions used	
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	

Types of operation, all of which must be limited to achieving the management objective	
Cash management	X
Optimisation of Fund earnings and performance	X
Other	

Types of transactions	Reverse purchase agreements	Repurchase agreements	Securities lending	Securities borrowing
Maximum proportion of net assets	100%	100%	100%	100%
Expected proportion of net assets	50%	50%	50%	50%

The assets that may be subject to such transactions are the assets described in the chapter "Description of asset classes" of this prospectus.

3.13. INFORMATION ON THE USE OF TEMPORARY PURCHASES/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 enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or into repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

Additional information on remuneration is provided in the section Fees and commissions.

3.14. CONTRACTS CONSTITUTING COLLATERAL:

In connection with the conclusion of financial contracts and/or securities financing transactions, the Sub-fund 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 investment manager's collateral eligibility policy in accordance with the regulations in force, and encompass the categories below:

- Cash collateral in various currencies according to a predefined list;
- Collateral as debt or equity securities on the basis of a specific designation.

The eligibility policy for collateral explicitly defines the level of collateral required and the discounts applied to each type of collateral on the basis of rules that depend on their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, valuation, 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:

- placed on deposit;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term variable net asset value money market undertakings for collective investment (UCI).

Collateral received other than in cash may not be sold, reinvested or pledged as security.

In accordance with the valuation rules laid down in this prospectus, the Management Company will conduct a daily valuation of collateral received on a mark-to-market basis. Margin calls will be made on a daily basis.

The collateral received by the Sub-fund will be held by the Sub-fund's depository or, failing that, by any third-party depository that is subject to prudential supervision and that has no connection with the provider of the collateral.

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

4. TAXONOMY: (REGULATION EU 2020/852)

The underlying investments of the Sub-fund do not take into account the EU criteria set out in the Taxonomy Regulation for environmentally sustainable economic activities.

5. RISK PROFILE

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

The net asset value may fluctuate significantly due to the financial instruments included in the portfolio. This means that you may not get back all the capital you invested; this applies equally for investments made for the recommended investment period.

Risk of capital loss: the risk of capital loss results from selling a share for less than the purchase price paid.

The Sub-fund offers no guarantee or protection, so you may not get back the full amount of your initial investment.

Risks associated with classification:

Interest rate risk: the Sub-fund may carry an interest rate risk as the duration of the portfolio modified to the Sub-fund's interest rates is between +3 and +13. Accordingly, its net asset value may fall in a period of rising interest rates. Moreover, the higher the Sub-fund's modified duration (variation percentage of the net asset value when rates change by 1%), the higher the interest rate risk to which the Sub-fund is exposed, and vice versa. Because of its investment strategy, the Sub-fund is subject to a greater interest rate risk, its modified duration potentially going up to 13.

Credit risk: credit risk involves the risk that the economic or financial situation of an issuer may deteriorate, leading to a decline in the value of the issuer's security and therefore a fall in the net asset value of the Sub-fund.

Investments are made in securities issued and/or guaranteed by European countries including those that are eurozone Member States, and/or in units or shares of UCIs invested in sovereign securities.

Risk associated with inflation: a portion of the Sub-fund's portfolio may be invested in inflation-indexed bonds. If inflation anticipated for future years were to fall, the value of inflation-indexed bonds may also fall, which could lead to a decline in the Sub-fund's net asset value.

Discretionary management risk: the Sub-fund's discretionary management style relies on anticipating the development of the

various bond markets. Therefore, there is a risk that the Sub-fund may not be invested in the best-performing markets at all times.

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

The level of exposure depends in particular 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 decrease faster and/or to a greater extent than the markets underlying these risks.

Risk taken in relation to the benchmark index: the risk that the Sub-fund's performance may deviate from that of its benchmark index. In accordance with the "Strategies employed" section, risks may be taken with regard to the benchmark index in order to achieve the management objective, which may result in the Sub-fund underperforming its benchmark index.

Counterparty risk: the Sub-fund uses forward financial instruments, over-the-counter instruments and/or temporary purchases and sales of securities. These transactions, entered into with one or more eligible counterparties, potentially expose the Sub-fund to the risk of one of these counterparties defaulting, which may cause them to default on payment.

The use of derivatives is likely to increase or limit interest rate risk and credit risk, within the limits described above and in the "Investment strategy" section.

If this risk occurs, it may lead to a decrease in the Sub-fund's net asset value.

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.

Liquidity risk: the liquidity risk present in the Sub-fund represents the fall in price that the UCITS could potentially have to accept in order to sell certain assets for which there is insufficient market demand.

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 Sub-fund such as the counterparty risk defined above. The management of collateral may create risks for the Sub-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 Sub-fund is unable to 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.

Artificial intelligence risk: Portfolio managers can use artificial intelligence tools in the research process. This results in a risk of using information that is inconsistent or misinterpreted by the tools.

These various risks may lead to a fall in the net asset value of the Sub-fund.

6. TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE

The Sub-fund is for all subscribers.

R shares are primarily aimed at private individuals.

I and SI shares are primarily aimed at institutional investors.

The N share is open to all subscribers and is specifically intended for private individuals who invest through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary.

The Sub-fund is aimed at expert investors with the objective of outperforming (net of charges and year-on-year) the Bloomberg Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR net coupons reinvested.

The Fund's units may not be offered or sold in the United States of America to or on behalf of a "US Person" as defined by Regulation 902 of Regulation S under the United States Securities Act of 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.

In accordance with applicable EU regulations³ 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.

The minimum recommended investment period is three years.

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

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

We strongly recommend that potential investors ensure their investments are sufficiently diversified and not exposed solely to the risks of this Sub-fund.

7. PROCEDURES FOR DETERMINING AND ALLOCATING DISTRIBUTABLE INCOME – ALLOCATION FREQUENCY

The Sub-fund is an accumulation sub-fund.

7.1. SHARE FEATURES

Equities	ISIN code	Base currency	Fractional shares	Minimum initial subscription	Minimum subsequent investment
SI/C (EUR)	FR0013410875	EUR	Ten-thousandths	100,000,000 EUR	One ten-thousandth of a share
I/C (EUR)	FR0013410867	EUR	Ten-thousandths	100,000 EUR	One ten-thousandth of a share
N/C (EUR)	FR0013410883	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share
R/C (EUR)	FR0013410891	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share

The Sub-fund's reference currency is the euro.

7.2. SUBSCRIPTION AND REDEMPTION PROCEDURES

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

Institution appointed to receive subscriptions and redemptions:

CACEIS BANK: 89–91 Rue Gabriel Péri, 92120 Montrouge, France,
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

Investors intending to purchase shares and shareholders wishing to redeem shares are asked to contact their normal marketing agent directly with regard to the deadline for the receipt of their subscription or redemption application. Investors' attention is drawn to the fact that the deadline applied by the marketing agent concerned may be earlier than the clearing time mentioned above, in order to take account of their deadline for sending orders to CACEIS BANK.

Orders in EUR are executed in accordance with the table below:

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

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

Procedures for switching to another unit class and tax consequences: switching between two unit classes constitutes a sale followed by a subscription. It is likely to generate a taxable capital gain for the unitholder.

³ As at 1 June 2022, Regulation (EU) 833/2014, as amended, Regulation (EU) 398/2022 and Council Decision (CFSP) 2022/579.

7.3. LIQUIDITY MANAGEMENT TOOLS

Net asset value adjustment mechanism (*Swing pricing*) with trigger threshold

Since the creation of the Sub-fund, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their units bear the fees related to transactions carried out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. This mechanism, framed by a policy, is described in Section "Swing-pricing mechanism of the net asset value with trigger threshold".

Redemption capping mechanism (gates mechanism)

The Management Company may implement the so-called "gate mechanism" to spread redemption requests of the Fund's shareholders 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 impacting the Fund's assets, and if the interests of shareholders or the public so dictate.

Shareholders may also refer to the Fund's Articles of Association.

Description of the method used:

The Fund's shareholders 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 shares of the UCI whose redemption is requested or the total amount of these redemptions, and the number of shares of the UCI whose subscription is requested or the total amount of these subscriptions; and
- the net assets or the total number of shares of the UCI.

As the Fund has several share classes, the gate trigger threshold will be 5% for all the Fund's share 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 Fund's assets rather than specifically depending on share 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 gates 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. This maximum period will be null and void once the AMF General Regulation, which currently requires it, is amended.

Information procedures for shareholders:

If the gate mechanism is triggered, all the shareholders of the Fund will be informed by any means via the Management Company's website at www.h2o-am.com.

The Fund's shareholders whose orders have not been executed will be informed individually as soon as possible.

Processing of non-executed orders:

Redemption orders will be executed in the same proportions for Fund shareholders who have requested a redemption since the last clearing date. Non-executed orders will automatically be carried forward to the next net asset value and will not take priority over new redemption orders sent for execution at the next net asset value. In any event, redemption orders that are not executed and are automatically carried forwards may not be cancelled by the concerned Fund shareholders.

Exemption:

Round-trip transactions (when a share redemption request is made at the same time as and in connection with a subscription request on the same NAV date, with the same ISIN code, for the same number of shares, by the same intermediary and for the same account) will not be taken into account in the gate mechanism calculation and will therefore be honoured as they are.

Example:

If total redemption requests on the Fund's shares 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).

8. FREQUENCY OF NET ASSET VALUE CALCULATION

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

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

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

9. FEES AND COMMISSIONS

9.1. SUBSCRIPTION AND REDEMPTION FEES:

Subscription and redemption fees increase the subscription value paid by the investor or reduce the redemption value. The fees charged by the UCITS serve to offset the charges it incurs when investing and divesting investors' assets. Fees not paid to the UCITS will be paid to the marketing agents, except for those fees expressly reserved for the Management Company.

Fees charged to the investor and collected at the time of subscriptions and redemptions	Base	Rate/scale
Maximum subscription fee not payable to the Sub-fund	Net asset value * Number of shares	Maximum 1% for I and N shares None for SI shares Maximum 2% for R shares
Subscription fee payable to the Sub-fund	Net asset value * Number of shares	None
Maximum redemption fee not payable to the Sub-fund	Net asset value * Number of shares	None
Maximum redemption fee payable to the Sub-fund	Net asset value * Number of shares	None

9.2. FEES CHARGED TO THE SUB-FUND:

These fees cover:

- Financial management fees;
- Operating expenses and other services,
- Maximum indirect costs (management commissions and fees) for UCITS that invest over 20% in other UCITS or investment funds,
- Performance fees.

Fees charged to the Sub-fund	Base	Rate/scale
Financial management fees	Net assets	Maximum rate 0.35% incl. tax for SI shares; 0.45% incl. tax for I shares; 0.55% incl. tax for N shares; 0.90% incl. tax for R shares.
Operating and other service fees	Net assets	Maximum rate 0.25% incl. tax for all shares
Performance fee	Positive difference between valued assets and reference assets	None

Third parties, in particular 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. Shareholders can direct any request for further information about these retrocessions to their distributor and/or the Management Company.

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:

- 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.
- 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 shareholders by any means (publication in the press, other);
 - Information specific to direct and indirect shareholders: Letters to shareholders...;
 - Website administration costs;
 - Translation fees specific to the UCI.
- 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).
- 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.
- Fees related to compliance with regulatory obligations and regulatory reporting
 - Costs of preparing regulatory reports to the regulator specific to the UCI (MMF reporting, AIFM, ratio overruns etc.);
 - Mandatory professional association contributions;
 - Operating contributions paid to the Fonds de Garantie des Dépôts et de Résolution (Deposit Guarantee and Resolution Fund);
 - 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.
- 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.
- Fees related to customer knowledge
 - - Operating expenses for customer compliance (due diligence and creation/updating of customer files).

Insofar as operating expenses and other services are deducted in real terms, in the event of an increase in these costs equal to or less than 10 basis points (0.1%) per calendar year, shareholders may be informed by any means (e.g. on the website of the Portfolio Management Company, in the section relating to the UCITS in question) and not by means of specific information without being offered the possibility of redeeming their shares at no cost. This information should be published before it takes effect.

10. INFORMATION ON REMUNERATION GENERATED BY TEMPORARY PURCHASES AND SALES OF SECURITIES

All remuneration from these transactions is retained in full by the Sub-fund.

11. BRIEF DESCRIPTION OF THE SELECTION PROCEDURE FOR INTERMEDIARIES

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 the following address: www.h2o-am.com.

II. COMMERCIAL INFORMATION: PROCEDURES FOR INFORMING UNITHOLDERS

Distribution of the prospectus and annual and interim documents

These documents will be sent to shareholders upon written request to:

H2O AM EUROPE
39 Avenue Pierre 1^{er} de Serbie, 75008 Paris, France
Email: info@h2o-am.com

These documents will be sent to them within eight business days.

These documents are also available online at www.h2o-am.com

Further information can be obtained from the marketing agents' branches.

Communication of the net asset value

The net asset value can be obtained from H2O AM EUROPE, from branches of the marketing agents and at www.h2o-am.com

Commercial documentation

Commercial documentation is made available to shareholders of the SICAV on the Management Company's website www.h2o-am.com

Information in the event of an amendment to Sub-fund operations

Shareholders are informed of any changes concerning the Sub-fund in line with the procedures drawn up by the Autorité des Marchés Financiers (French Financial Markets Authority).

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

Environmental, Social and Governance (ESG) criteria

Information on the procedures for taking into account criteria relating to compliance with 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.

III. INVESTMENT RULES

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

In particular, the Sub-fund may invest up to 100% of its assets in securities guaranteed by a State, a local public authority and/or a public international organisation, provided that this 100% is spread over at least six issues, with none of them representing more than 30% of the assets.

IV. OVERALL RISKS

The calculation method used by the Sub-fund is the relative Value-at-Risk method. The Sub-fund's VaR is limited to twice that of its benchmark index.

The indicative average leverage for the Sub-fund is four.

However, the Sub-fund may reach a higher level of leverage. The indicative leverage for the Sub-fund is equal to the sum of the nominal positions on the financial contracts that are used.

V. ASSET VALUATION AND ACCOUNTING RULES

1. ASSET VALUATION RULES

1.1. SECURITIES PORTFOLIO

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

The Sub-fund's portfolio is valued each time the net asset value is calculated and when the accounts are closed, at the closing price.

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

The Sub-fund complies with the accounting rules and methods prescribed by current regulations and with the UCITS chart of accounts, which on the prospectus publication date 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 EUR in accordance with the WMR rate for the currency on the valuation date.

Bonds

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

Transferable securities

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

In the case of transferable securities that are not listed or whose prices were not quoted on the valuation date, as well as other items on the balance sheet, the Management Company adjusts their valuations on the basis of changes that seem likely in view of current events. The statutory auditor is informed of these valuations and the justifications for them during their audits.

Foreign securities are converted into the equivalent value in EUR in accordance with the WMR rate on the valuation date.

UCITS/AIFs/investment funds

Units or shares of UCITS/AIFs or investment funds are valued at the last known net asset value. Foreign Undertakings for Collective Investment carrying out valuations at times that are incompatible with the calculation of the Sub-fund's net asset value are valued on the basis of estimates supplied by the administrators of these undertakings, under the supervision and responsibility of the Management Company.

Negotiable debt securities

Money market instruments are valued in accordance with the following rules:

- BTFs (French fixed-rate treasury bills) are valued on the basis of an average of contributed prices obtained from market makers,
- Unlisted variable-rate money market instruments are valued at cost price, adjusted to take into account any

potential variations in credit spreads.

- other fixed-rate money market instruments (certificates of deposits, 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, money market instruments are measured 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, negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method.

Repurchase and reverse repurchase agreements on securities

Repurchase and reverse repurchase agreements on securities are measured at the contract price, adjusted for any margin calls (measured in accordance with the conditions set out in the contract).

In the case of transferable securities that are unlisted 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's Executive Board adjusts the valuation on the basis of variations that are likely in view of current events.

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

1.2. FUTURES AND OPTIONS TRANSACTIONS

Organised futures and options markets

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

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 of more than three months are valued at the 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 maturity of more than three months are valued using the turnover rate method using a zero coupon yield curve.

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

Forward foreign exchange contracts

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

1.3. OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are measured as follows:

Commitments on futures markets

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.

Swap commitments

- Interest rate swaps

Interest rate swaps with a lifetime of less than three months, secured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of less than three months, unsecured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of more than three months, secured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, secured, variable rate/fixed rate	Measurement of the variable-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, variable rate/fixed rate	Measurement of the variable-rate leg at market price

- Other swaps

These will be measured at their market value.

Commitments on options markets

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

Currencies

Foreign currency prices are converted into *euros* in accordance with the WMR rate (4.00 p.m., London time) on the valuation date.

Unlisted financial instruments and other securities

- Financial instruments whose price has not been recorded on the valuation date are measured 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 EUR in accordance with the WMR rate on the valuation date;
- Financial instruments not traded on a regulated market are measured under the responsibility of the Management Company at their likely trading value;
- Other financial instruments are measured 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 passed on to the statutory auditor during their audits.

2. SWING-PRICING MECHANISM OF THE NET ASSET VALUE WITH TRIGGER THRESHOLD

Since the creation of the Sub-fund, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their shares, bear the fees related to transactions carried out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. The purpose of this mechanism, which is governed by a policy, is to protect shareholders who remain in the Sub-fund by ensuring that they bear the lowest possible fees. This results in the calculation of an adjusted ("swung") NAV.

This means that if, on a NAV calculation day, the total number of net subscription/redemption orders from investors across all share classes of the Sub-fund exceeds a threshold that is predetermined, based on the objective criteria set out by the Management Company, as a percentage of net assets, the NAV can be adjusted upwards or downwards to take into account the readjustment costs attributable to the respective net subscription/redemption orders. If the Sub-fund issues several share classes, the NAV of each share class is calculated separately but any adjustment has the same impact, as a percentage, on all the NAVs of the Sub-fund's share classes.

The readjustment cost and trigger threshold parameters are determined by the Management Company and periodically reviewed. These costs are estimated by the Management Company based on transaction fees, purchase and sale price ranges and any taxes applicable to the Sub-fund.

It is not possible to accurately predict whether the adjustment mechanism will be applied in the future, or the frequency with which the Management Company will make such adjustments.

Investors are informed that the volatility of the Sub-fund's NAV may not only reflect that of securities held in the portfolio owing to the application of the adjustment mechanism.

The “swung” NAV is the Sub-fund’s only net asset value and the only one communicated to the Sub-fund’s shareholders. However, if there is a performance fee, this is calculated based on the NAV before the adjustment mechanism is applied.

3. ACCOUNTING METHODS

Income is recorded on a cash accounting basis.

Trading fees are recorded in the Sub-fund’s specific accounts and are not added to the price.

The weighted average cost 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.

VI. REMUNERATION

H2O AM endeavours to ensure that remuneration is fair, and that it complies with regulations and is aligned with employee responsibilities, performance and conduct. The remuneration mechanisms are designed to ensure consistency, competitiveness and compliance with the company’s values and investment strategy.

An independent remuneration committee oversees compliance with these principles and evaluates the practices in force on an annual basis.

Variable remuneration depends on an assessment that integrates financial performance, non-financial criteria and risk management, including risks related to sustainability. Part of this remuneration may be deferred over three years as an investment in the funds managed by H2O AM.

Details of the remuneration policy are available at www.h2o-am.com

SUB-FUND: H2O EUROSOVEREIGN 3-5 YEARS

I. OPERATING AND MANAGEMENT PROCEDURES

1. SPECIFIC PROVISIONS

1.1. ISIN CODES

Equities	ISIN code
SI/C (EUR)	FR0013434958
I/C (EUR)	FR0013434941
R/C (EUR)	FR0013434982
N/C (EUR)	FR0013434974

1.2. CLASSIFICATION

Bonds and/or debt securities denominated in euros.

1.3. HOLDING OF UNITS OR SHARES IN UCIS (UCITS OR AIFs) OR INVESTMENT FUNDS:

The Sub-fund may invest up to 10% of its net assets in units or shares in UCIs or investment funds.

1.4. MANAGEMENT OBJECTIVE

The Sub-fund aims to outperform the Bloomberg Barclays EuroAgg Treasury 3-5 Year Total Return Index Value Unhedged EUR benchmark index (Bloomberg ticker: LET3TREU).

Potential subscribers are reminded that the performance objective indicated in this "Management objective" section is based on performance assumptions agreed by the Management Company and under no circumstances guarantees the Fund's return or performance.

1.5. BENCHMARK INDEX

The benchmark index is the Bloomberg Barclays EuroAgg Treasury 3-5 Year Total Return Index Value Unhedged EUR.

The Bloomberg Barclays EuroAgg Treasury 3-5 Year Total Return Index Value Unhedged EUR index is composed of Investment Grade government bonds issued by 14 countries in the eurozone.

The supplier of the Bloomberg Barclays EuroAgg Treasury 3-5 Year Total Return Index Value Unhedged EUR index is Bloomberg Index Services Limited, whose website is: www.bloomberg.com. The benchmark index administrator is recorded on the register of administrators and benchmark indices held by ESMA.

It must be noted that as the management of the Sub-fund is not index-based, the Sub-fund's performance may potentially differ considerably from that of its benchmark index.

2. INVESTMENT STRATEGY

2.1. DESCRIPTION OF STRATEGIES USED

The Sub-fund's investment strategy aims to outperform the index over a three-year investment horizon by investing in European government bonds (Eurozone, Nordic, Central Europe), solely denominated in euros.

This performance objective will be sought in line with a maximum ratio of two between the estimated ex ante Value-at-Risk (VaR) at 20 days with a confidence interval of 99%, the Sub-fund and that of the benchmark index.

Management aims for an ex ante indicative average annual tracking error (TE) of [2%; 4%].

The overall modified duration of the portfolio falls within a range from +1 to +7.

The investment strategy is based on a top-down approach and relies in particular on macroeconomic analysis, an analysis of capital flows and relative market valuation of the various European sovereign bond markets (including bonds issued and/or guaranteed by the European Union or one of its institutions).

The Sub-fund is actively managed and derives its performance from the following strategies:

1. Active management of the portfolio's total modified duration within a range of +1 to +7;
2. Country allocation: arbitrage of the various European sovereign interest rate curves;
3. Curve sector allocation: arbitrage of curve segments of European sovereign interest rates;

4. Choice of instruments (securities, derivatives).

In order to achieve its objectives, the Sub-fund may intervene on the primary market (via auctions or syndications) or on the secondary market.

2.2. ARTIFICIAL INTELLIGENCE (AI)

Generative artificial intelligence can support investment research by strengthening analytical rigour, limiting behavioural biases and ensuring consistency of decisions. However, it does not replace the discretionary judgement of the fund managers. Its integration represents a natural evolution of the investment process, not a change in the macroeconomic discretionary framework already in place.

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 Sub-fund 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.
-

3. DESCRIPTION OF ASSET CLASSES AND FINANCIAL CONTRACTS IN WHICH THE SUB-FUND INTENDS TO INVEST AND THEIR CONTRIBUTION TO THE ACHIEVEMENT OF THE MANAGEMENT OBJECTIVE

3.1. EQUITIES

There will be no investment in equities.

3.2. DEBT SECURITIES, EQUIVALENT SECURITIES AND FINANCIAL INSTRUMENTS

Bond market instruments:

- Up to 100% of the net assets in bonds, exclusively denominated in euros, issued or guaranteed by the European Union (or one of its institutions) and/or the Member States of the eurozone and, on an ancillary basis, by those of the Nordic and Central European countries (Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Iceland, Moldova <https://fr.wikipedia.org/wiki/Mont%C3%A9n%C3%A0ge> <https://fr.wikipedia.org/wiki/Norv%C3%A0ge>, Montenegro, Norway, Poland, Romania, Serbia, Sweden, Switzerland, Turkey, Ukraine, United Kingdom) including inflation-indexed bonds;
- non-European bonds: 0%;
- non-government bonds: 0%;
- collateralised bonds (ABS and MBS): 0%.

Money market instruments:

The Sub-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 through reverse repurchase agreements and deposits.

3.3. CURRENCIES

The Sub-fund is only exposed to the euro. The Sub-fund may only acquire bond securities denominated in euros.

As such, the Sub-fund does not bear any currency risk.

3.4. SUMMARY

Reminder of the main investment limits	
Overall modified duration range	[+1--7]
Geographical region of issuers*	Europe
Base currency of securities	Euro exclusively
Currency risk borne*	0%

*Calculations carried out as a % of the Sub-fund's net assets

3.5. SPECIFIC INSTRUMENTS: SHARES/UNITS IN INVESTMENT FUNDS

On an ancillary basis, with a view to investing its liquid assets, up to 10% of the Sub-fund's assets may be exposed to shares or units of the following UCITS/AIFs/investment funds, including ETFs, 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 French Monetary and Financial Code*	X
European AIFs which comply with Article R. 214-13 of the French Monetary and Financial Code*	X
Investment funds under foreign law which comply with Article R. 214-13 of 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 UCITS or UCIs held by the Sub-fund may be managed by the Management Company or a legally affiliated company.

3.6. 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 in times of cash flow movement associated with subscriptions/redemptions or in specific circumstances such as major market fluctuations. They are also a means of accessing hedging and exposure strategies.

The UCITS may enter into financial contracts (derivatives) traded on French or foreign regulated, organised or over-the-counter markets as set out in the table below.

The fund's exposure to derivative financial instruments will be managed in line with the maximum ratio of two between the estimated ex ante Value at Risk (VaR) at 20 days with a confidence interval of 99%, the Sub-fund and that of the benchmark index.

The table below details the Sub-fund's operating conditions regarding derivatives.

TABLE OF DERIVATIVES

Type of instruments used	MARKET TYPE			RISK TYPE					OPERATION TYPE			
	Admission to regulated markets*	Organised markets	Over-the-counter markets	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Futures on												
Equities												
Interest rate	X	X			X				X	X	X	
Foreign exchange												
Indices	X	X			X				X	X	X	
Options on												
Equities												
Interest rate	X	X	X		X				X	X	X	
Foreign exchange												
Indices	X	X	X		X				X	X	X	
Swaps												
Equities												
Interest rate			X		X				X	X	X	
Foreign exchange												
Indices			X		X							
Foreign exchange forwards												
Currency(-ies)			X			X			X			
Credit derivatives												
Credit default swaps (CDS)												
First-to-default												
First-loss credit default swaps												

* Please see the investment manager's order execution policy at www.h2o-am.com.

The Sub-fund may enter into total return swaps (TRS) which seek to swap the performance of all or some of the assets held by the Sub-fund (and held by the Sub-fund's depository) 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 50% of the net assets. Under normal market conditions, the investment manager expects such transactions to involve up to 25% of the Sub-fund's net 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 are selected by the investment manager in accordance with the counterparty selection procedure available on their website at the following address: www.h2o-am.com. The investment manager shall enter into such contracts with financial institutions that have their registered office in a Member State of the OECD and a minimum rating that meets the requirements of the investment manager.

These transactions are systematically covered by a signed contract between the investment manager and the counterparty that defines the procedures for reducing counterparty risk.

Counterparties do not have any discretionary decision-making powers in respect of the composition or management of the Sub-fund's investment portfolio or the assets underlying the derivative.

3.7. INFORMATION RELATING TO OVER-THE-COUNTER FINANCIAL CONTRACTS:

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 investment manager. These transactions are systematically covered by a signed contract between the UCITS and the counterparty that defines the procedures for reducing counterparty risk.

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

All these instruments will be used to hedge and/or expose the Sub-fund's portfolio against interest rate risk and/or to hedge the portfolio against currency risk.

3.8. SECURITIES WITH EMBEDDED DERIVATIVES

The Sub-fund will not invest its assets in securities with embedded derivatives.

3.9. DEPOSITS

The Sub-fund may make deposits in compliance with the French Monetary and Financial Code for a maximum term of 12 months. These deposits, which will enable the Sub-fund to manage all or part of its cash, help to achieve its management objective.

3.10. CASH AND CASH EQUIVALENTS

The Sub-fund may hold cash and cash equivalents on an ancillary basis.

3.11. CASH BORROWINGS

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

3.12. TEMPORARY PURCHASES AND SALES OF SECURITIES

The investment manager may carry out temporary purchases and sales of securities (also known as securities financing transactions) up to a maximum of 100% of the assets. It is expected that 50% of the assets under management will be subject to securities financing transactions.

Types of transactions used	
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	

Types of operation, all of which must be limited to achieving the management objective	
Cash management	X
Optimisation of Fund earnings and performance	X
Other	

Types of transactions	Reverse purchase agreements	Repurchase agreements	Securities lending	Securities borrowing
Maximum proportion of net assets	100%	100%	100%	100%
Expected proportion of net assets	50%	50%	50%	50%

The assets that may be subject to such transactions are the assets described in the chapter "Description of asset classes" of this prospectus.

3.13. INFORMATION ON THE USE OF TEMPORARY PURCHASES/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 enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or into repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

Additional information on remuneration is provided in the section Fees and commissions.

3.14. CONTRACTS CONSTITUTING COLLATERAL:

In connection with the conclusion of financial contracts and/or securities financing transactions, the Sub-fund 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 investment manager's collateral eligibility policy in accordance with the regulations in force, and encompass the categories below:

- Cash collateral in various currencies according to a predefined list;
- Collateral as debt or equity securities on the basis of a specific designation.

The eligibility policy for collateral explicitly defines the level of collateral required and the discounts applied to each type of collateral on the basis of rules that depend on their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, valuation, 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:

- placed on deposit;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term money market undertakings for collective investment (UCIs).

Collateral received other than in cash may not be sold, reinvested or pledged as security.

In accordance with the valuation rules laid down in this prospectus, the Management Company will conduct a daily valuation of collateral received on a mark-to-market basis. Margin calls will be made on a daily basis.

The collateral received by the Sub-fund will be held by the Sub-fund's depository or, failing that, by any third-party depository that is subject to prudential supervision and that has no connection with the provider of the collateral.

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

4. TAXONOMY (REGULATION EU 2020/852)

The underlying investments of the Sub-fund do not take into account the EU criteria set out in the Taxonomy Regulation for environmentally sustainable economic activities.

5. RISK PROFILE

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

The net asset value may fluctuate significantly due to the financial instruments included in the portfolio. This means that you may not get back all the capital you invested; this applies equally for investments made for the recommended investment period.

The various risks to which the Sub-fund is exposed may cause the net asset value of the Sub-fund to fall.

Risk of capital loss: the risk of capital loss results from selling a share for less than the purchase price paid.

The Sub-fund offers no guarantee or protection, so you may not get back the full amount of your initial investment.

Risks associated with classification

Interest rate risk: the Sub-fund may carry an interest rate risk as the duration of the portfolio modified to the Sub-fund's interest rates is between +1 and +7. Accordingly, its net asset value may fall in a period of rising interest rates. Moreover, the higher the Sub-fund's modified duration (variation percentage of the net asset value when rates change by 1%), the higher the interest rate risk to which the Sub-fund is exposed, and vice versa. Because of its investment strategy, the Sub-fund is subject to a greater interest rate risk, its modified duration potentially going up to 7.

Credit risk: credit risk involves the risk that the economic or financial situation of an issuer may deteriorate, leading to a decline in the value of the issuer's security and therefore a fall in the net asset value of the Sub-fund.

Investments are made in securities issued and/or guaranteed by European countries including those that are eurozone Member States, and/or in units or shares of UCIs invested in sovereign securities.

Risk associated with inflation: a portion of the Sub-fund's portfolio may be invested in inflation-indexed bonds. If inflation anticipated for future years were to fall, the value of inflation-indexed bonds may also fall, which could lead to a decline in the Sub-fund's net asset value.

Discretionary management risk: the Sub-fund's discretionary management style relies on anticipating the development of the various bond markets. Therefore, there is a risk that the Sub-fund may not be invested in the best-performing markets at all

times.

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

The level of exposure depends in particular 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 decrease faster and/or to a greater extent than the markets underlying these risks.

Risk taken in relation to the benchmark index: the risk that the Sub-fund's performance may deviate from that of its benchmark index. In accordance with the "Strategies employed" section, risks may be taken with regard to the benchmark index in order to achieve the management objective, which may result in the Sub-fund underperforming its benchmark index.

Counterparty risk: the Sub-fund uses forward financial instruments, over-the-counter instruments and/or temporary purchases and sales of securities. These transactions, entered into with one or more eligible counterparties, potentially expose the Sub-fund to the risk of one of these counterparties defaulting, which may cause them to default on payment.

The use of derivatives is likely to increase or limit interest rate risk and credit risk, within the limits described above and in the "Investment strategy" section.

If this risk occurs, it may lead to a decrease in the Sub-fund's net asset value.

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.

Liquidity risk: the liquidity risk present in the Sub-fund represents the fall in price that the UCITS could potentially have to accept in order to sell certain assets for which there is insufficient market demand.

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 Sub-fund such as the counterparty risk defined above. The management of collateral may create risks for the Sub-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 Sub-fund is unable to 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.

Artificial intelligence risk: Portfolio managers can use artificial intelligence tools in the research process. This results in a risk of using information that is inconsistent or misinterpreted by the tools.

These various risks may lead to a fall in the net asset value of the Sub-fund.

6. TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE

The Sub-fund is for all subscribers.

I and SI shares are primarily aimed at institutional investors. R shares are primarily aimed at private individuals.

The N share is open to all subscribers and is specifically intended for private individuals who invest through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary.

The Sub-fund is aimed at investors who wish to invest the stable portion of their cash with the objective of outperforming the Bloomberg Barclays EuroAgg Treasury 3-5 Year Total Return Index Value Unhedged EUR.

The Fund's units may not be offered or sold in the United States of America to or on behalf of a "US Person" as defined by Regulation 902 of Regulation S under the United States Securities Act of 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.

In accordance with applicable EU regulations⁴ introduced on 12 April 2022, and for as long as these remain in force, subscribers

⁴As at 1 June 2022, Regulation (EU) 833/2014, as amended, Regulation (EU) 398/2022 and Council Decision (CFSP) 2022/579.

(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.

The minimum recommended investment period is three years.

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

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

We strongly recommend that potential investors ensure their investments are sufficiently diversified and not exposed solely to the risks of this Sub-fund.

7. PROCEDURES FOR DETERMINING AND ALLOCATING DISTRIBUTABLE INCOME – ALLOCATION FREQUENCY

The Sub-fund is an accumulation sub-fund.

7.1. SHARE FEATURES

Equities	ISIN code	Base currency	Fractional shares	Minimum initial subscription	Minimum subsequent investment
SI/C (EUR)	FR0013434958	EUR	Ten-thousandths	100,000,000 EUR	One ten-thousandth of a share
I/C (EUR)	FR0013434941	EUR	Ten-thousandths	100,000 EUR	One ten-thousandth of a share
N/C (EUR)	FR0013434974	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share
R/C (EUR)	FR0013434982	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share

The Sub-fund's reference currency is the euro.

7.2. SUBSCRIPTION AND REDEMPTION PROCEDURES

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

Institution appointed to receive subscriptions and redemptions:

CACEIS BANK: 89–91 Rue Gabriel Péri, 92120 Montrouge, France,
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

Investors intending to purchase shares and shareholders wishing to redeem shares are asked to contact their normal marketing agent directly with regard to the deadline for the receipt of their subscription or redemption application. Investors' attention is drawn to the fact that the deadline applied by the marketing agent concerned may be earlier than the clearing time mentioned above, in order to take account of their deadline for sending orders to CACEIS BANK.

Orders in EUR are executed in accordance with the table below:

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

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

Procedures for switching to another unit class and tax consequences: switching between two unit classes constitutes a sale followed by a subscription. It is likely to generate a taxable capital gain for the unitholder.

7.3. LIQUIDITY MANAGEMENT TOOLS

Net asset value adjustment mechanism (Swing pricing) with trigger threshold

Since the creation of the Sub-fund, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their units bear the fees related to transactions carried

out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. This mechanism, framed by a policy, is described in Section "Swing-pricing mechanism of the net asset value with trigger threshold".

Redemption capping mechanism (gates mechanism)

The Management Company may implement the so-called "gate mechanism" to spread redemption requests of the Fund's shareholders 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 impacting the Fund's assets, and if the interests of shareholders or the public so dictate.

Shareholders may also refer to the Fund's Articles of Association.

Description of the method used:

The Fund's shareholders 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 shares of the UCI whose redemption is requested or the total amount of these redemptions, and the number of shares of the UCI whose subscription is requested or the total amount of these subscriptions; and
- the net assets or the total number of shares of the UCI.

As the Fund has several share classes, the gate trigger threshold will be 5% for all the Fund's share 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 Fund's assets rather than specifically depending on share 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 gates 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. This maximum period will be null and void once the AMF General Regulation, which currently requires it, is amended.

Information procedures for shareholders:

If the gate mechanism is triggered, all the shareholders of the Fund will be informed by any means via the Management Company's website at www.h2o-am.com.

The Fund's shareholders whose orders have not been executed will be informed individually as soon as possible.

Processing of non-executed orders:

Redemption orders will be executed in the same proportions for Fund shareholders who have requested a redemption since the last clearing date. Non-executed orders will automatically be carried forward to the next net asset value and will not take priority over new redemption orders sent for execution at the next net asset value. In any event, redemption orders that are not executed and are automatically carried forwards may not be cancelled by the concerned Fund shareholders.

Exemption:

Round-trip transactions (when a share redemption request is made at the same time as and in connection with a subscription request on the same NAV date, with the same ISIN code, for the same number of shares, by the same intermediary and for the same account) will not be taken into account in the gate mechanism calculation and will therefore be honoured as they are.

Example:

If total redemption requests on the Fund's shares 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).

8. FREQUENCY OF NET ASSET VALUE CALCULATION

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

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

H2O AM EUROPE

39 Avenue Pierre 1^{er} de Serbie, 75008 Paris, France

Website: "www.h2o-am.com"

9. FEES AND COMMISSIONS

9.1. SUBSCRIPTION AND REDEMPTION FEES

Subscription and redemption fees increase the subscription value paid by the investor or reduce the redemption value. The fees charged by the UCITS serve to offset the charges it incurs when investing and divesting investors' assets. Fees not paid to the UCITS will be paid to the marketing agents, except for those fees expressly reserved for the Management Company.

Fees charged to the investor and collected at the time of subscriptions and redemptions	Base	Rate/scale
Maximum subscription fee not payable to the Sub-fund	Net asset value * Number of shares	None for SI shares Maximum 1% for I and N shares 2% for R shares
Subscription fee payable to the Sub-fund	Net asset value * Number of shares	None
Maximum redemption fee not payable to the Sub-fund	Net asset value * Number of shares	None
Redemption fee payable to the Sub-fund	Net asset value * Number of shares	None

9.2. FEES CHARGED TO THE SUB-FUND

These fees cover:

- Financial management fees;
- Operating expenses and other services,
- Maximum indirect costs (management commissions and fees) for UCITS that invest over 20% in other UCITS or investment funds,
- Performance fees

Fees charged to the Sub-fund	Base	Rate/scale
Financial management fees	Net assets	Maximum rate 0.35% incl. tax for SI shares; 0.45% incl. tax for I shares; 0.55% incl. tax for N shares; 0.90% incl. tax for R shares.
Operating and other service fees	Net assets	Maximum rate: 0.25% incl. tax for all shares
Performance fee	The sum (capped at the monthly average assets) of notional transactions on listed derivatives, excluding listed options.	None

Third parties, in particular 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. Shareholders can direct any request for further information about these retrocessions to their distributor and/or the Management Company.

The following 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:

- UCI 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.

- 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 shareholders by any means (publication in the press, other);
 - Information specific to direct and indirect shareholders: Letters to shareholders...;
 - Website administration costs;
 - Translation fees specific to the UCI.
- 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).
- 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.
- Fees related to compliance with regulatory obligations and regulatory reporting
 - Costs of preparing regulatory reports to the regulator specific to the UCI (MMF reporting, AIFM, ratio overruns etc.);
 - Mandatory professional association contributions;
 - Operating contributions paid to the Fonds de Garantie des Dépôts et de Résolution (Deposit Guarantee and Resolution Fund);
 - 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.
- 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.
- 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, in the event of an increase in these costs equal to or less than 10 basis points (0.1%) per calendar year, shareholders may be informed by any means (e.g. on the website of the Portfolio Management Company, in the section relating to the UCITS in question) and not by means of specific information without being offered the possibility of redeeming their shares at no cost. This information should be published before it takes effect.

10. INFORMATION ON REMUNERATION GENERATED BY TEMPORARY PURCHASES AND SALES OF SECURITIES

All remuneration from these transactions is retained in full by the Sub-fund.

11. BRIEF DESCRIPTION OF THE SELECTION PROCEDURE FOR INTERMEDIARIES

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 the following address: www.h2o-am.com.

II. COMMERCIAL INFORMATION: PROCEDURES FOR INFORMING UNITHOLDERS

Distribution of the prospectus and annual and interim documents

These documents will be sent to shareholders upon written request to:

H2O AM EUROPE
39 Avenue Pierre 1^{er} de Serbie, 75008 Paris, France
Email: info@h2o-am.com

These documents will be sent to them within eight business days.

These documents are also available online at www.h2o-am.com

Further information can be obtained from the marketing agents' branches.

Communication of the net asset value:

The net asset value can be obtained from H2O AM EUROPE, from branches of the marketing agents and at www.h2o-am.com

Commercial documentation

Commercial documentation is made available to shareholders of the SICAV on the Management Company's website www.h2o-am.com

Information in the event of an amendment to Sub-fund operations

Shareholders are informed of any changes concerning the Sub-fund in line with the procedures drawn up by the Autorité des Marchés Financiers (French Financial Markets Authority).

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

Environmental, Social and Governance (ESG) criteria

Information on the procedures for taking into account criteria relating to compliance with 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.

III. INVESTMENT RULES

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

In particular, the Sub-fund may invest up to 100% of its assets in securities guaranteed by a State, a local public authority and/or a public international organisation, provided that this 100% is spread over at least six issues, with none of them representing more than 30% of the assets.

IV. OVERALL RISKS

The calculation method used by the Sub-fund is the relative Value-at-Risk method. The Sub-fund's VaR is limited to twice that of its benchmark index.

The indicative average leverage level for the UCITS is 3.

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

V. ASSET VALUATION AND ACCOUNTING RULES

1. ASSET VALUATION RULES

1.1. SECURITIES PORTFOLIO

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

The Sub-fund's portfolio is valued each time the net asset value is calculated and when the accounts are closed, at the closing price.

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

The Sub-fund complies with the accounting rules and methods prescribed by current regulations and with the UCITS chart of accounts, which on the prospectus publication date 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 EUR in accordance with the WMR rate for the currency on the valuation date.

Bonds

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

Transferable securities

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

In the case of transferable securities that are not listed or whose prices were not quoted on the valuation date, as well as other items on the balance sheet, the Management Company adjusts their valuations on the basis of changes that seem likely in view of current events. The statutory auditor is informed of these valuations and the justifications for them during their audits.

Foreign securities are converted into the equivalent value in EUR in accordance with the WMR rate on the valuation date.

UCITS/AIFs/investment funds

Units or shares of UCITS/AIFs or investment funds are valued at the last known net asset value. Foreign Undertakings for Collective Investment carrying out valuations at times that are incompatible with the calculation of the Sub-fund's net asset value are valued on the basis of estimates supplied by the administrators of these undertakings, under the supervision and responsibility of the Management Company.

Negotiable debt securities

Money market instruments are valued in accordance with the following rules:

- BTFs (French fixed-rate treasury bills) are valued on the basis of an average of contributed prices obtained from market makers,
- Unlisted variable-rate money market instruments are valued at cost price, adjusted to take into account any potential variations in credit spreads.
- other fixed-rate money market instruments (certificates of deposits, 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, money market instruments are measured 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, negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method.

Repurchase and reverse repurchase agreements on securities

Repurchase and reverse repurchase agreements on securities are measured at the contract price, adjusted for any margin calls (measured in accordance with the conditions set out in the contract).

In the case of transferable securities that are unlisted 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's Executive Board adjusts the valuation on the basis of variations that are likely in view of current events.

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

1.2. - FUTURES AND OPTIONS TRANSACTIONS

Organised futures and options markets

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

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 of more than three months are valued at the 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 maturity of more than three months are valued using the turnover rate method using a zero coupon yield curve.

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

Forward foreign exchange contracts

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

1.3. - OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are measured as follows:

Commitments on futures markets:

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.

Swap commitments

- Interest rate swaps

Interest rate swaps with a lifetime of less than three months, secured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of less than three months, unsecured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of more than three months, secured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, secured, variable rate/fixed rate	Measurement of the variable-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, variable rate/fixed rate	Measurement of the variable-rate leg at market price

- Other swaps

These will be measured at their market value.

Commitments on options markets

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

Currencies

Foreign currency prices are converted into *euros* in accordance with the WMR rate (4.00 p.m., London time) on the valuation date.

Unlisted financial instruments and other securities

- Financial instruments whose price has not been recorded on the valuation date are measured 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 EUR in accordance with the WMR rate on the valuation date;
- Financial instruments not traded on a regulated market are measured under the responsibility of the Management Company at their likely trading value;
- Other financial instruments are measured 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 passed on to the statutory auditor during their audits.

2. SWING-PRICING MECHANISM OF THE NET ASSET VALUE WITH TRIGGER THRESHOLD

Since the creation of the Sub-fund, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their shares, bear the fees related to transactions carried out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. The purpose of this mechanism, which is governed by a policy, is to protect shareholders who remain in the Sub-fund by ensuring that they bear the lowest possible fees. This results in the calculation of an adjusted ("swung") NAV.

This means that if, on a NAV calculation day, the total number of net subscription/redemption orders from investors across all share classes of the Sub-fund exceeds a threshold that is predetermined, based on the objective criteria set out by the Management Company, as a percentage of net assets, the NAV can be adjusted upwards or downwards to take into account the readjustment costs attributable to the respective net subscription/redemption orders. If the Sub-fund issues several share classes, the NAV of each share class is calculated separately but any adjustment has the same impact, as a percentage, on all the NAVs of the Sub-fund's share classes.

The readjustment cost and trigger threshold parameters are determined by the Management Company and periodically reviewed. These costs are estimated by the Management Company based on transaction fees, purchase and sale price ranges and any taxes applicable to the Sub-fund.

It is not possible to accurately predict whether the adjustment mechanism will be applied in the future, or the frequency with which the Management Company will make such adjustments.

Investors are informed that the volatility of the Sub-fund's NAV may not only reflect that of securities held in the portfolio owing to the application of the adjustment mechanism.

The "swung" NAV is the Sub-fund's only net asset value and the only one communicated to the Sub-fund's shareholders. However, if there is a performance fee, this is calculated based on the NAV before the adjustment mechanism is applied.

3. ACCOUNTING METHODS

Income is recorded on a cash accounting basis.

Trading fees are recorded in the Sub-fund's specific accounts and are not added to the price.

The weighted average cost 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.

VI. REMUNERATION

H2O AM endeavours to ensure that remuneration is fair, and that it complies with regulations and is aligned with employee responsibilities, performance and conduct. The remuneration mechanisms are designed to ensure consistency, competitiveness and compliance with the company's values and investment strategy.

An independent remuneration committee oversees compliance with these principles and evaluates the practices in force on an annual basis.

Variable remuneration depends on an assessment that integrates financial performance, non-financial criteria and risk management, including risks related to sustainability. Part of this remuneration may be deferred over three years as an investment in the funds managed by H2O AM.

Details of the remuneration policy are available at www.h2o-am.com

SUB-FUND: H2O EUROAGGREGATE

I. OPERATING AND MANAGEMENT PROCEDURES

1. SPECIFIC PROVISIONS

1.1. ISIN CODES

Equities	ISIN code
SI-B	FR0011007475
R	FR0011007418
N	FR0012087799
I	FR0013342540

1.2. CLASSIFICATION

International bonds and other debt securities

1.3. HOLDING OF UNITS OR SHARES OF OTHER UCIS (UCITS OR AIFs) OR INVESTMENT FUNDS

The Sub-fund invests up to 10% of its net assets in units or shares.

1.4. MANAGEMENT OBJECTIVE:

The Sub-fund's objective is to outperform the daily capitalised €STR index by 0.75% per year over its minimum recommended investment period for SI-B shares, by 0.65% per year over its minimum recommended investment period for I shares, by 0.55% per year over its minimum recommended investment period for N shares, and by 0.05% per year over its minimum recommended investment period for R shares, after the deduction of operating and management expenses.

Potential subscribers are reminded that the performance objective indicated in this "Management objective" section is based on performance assumptions agreed by the Management Company and under no circumstances guarantees the Fund's return or performance.

For information purposes only, the Sub-fund's performance may be compared ex post to that of the euro-denominated Bloomberg Barclays Euro Aggregate 3-5 Year Total Return index.

1.5. BENCHMARK INDEX:

The daily capitalised €STR (Euro Short Term Rate) (Overnight Indexed Swap or OIS method) is the benchmark index for the Sub-fund. It corresponds to the interbank market benchmark rate in the eurozone. It is calculated by the European Central Bank. The benchmark index administrator is the European Central Bank. The benchmark index is available on the website: https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html

The benchmark index administrator is not listed on the register of administrators and benchmark indices held by ESMA, as the ECB is exempt.

2. INVESTMENT STRATEGY

2.1. DESCRIPTION OF STRATEGIES USED

To achieve the management objective, several strategies will be implemented on the interest rate and currency markets, in particular a global macro strategy and an active cash management strategy. The management style in place will be uncompromisingly focused on performance.

The construction of the Sub-fund's portfolio seeks to maximise its capacity to take advantage of the sharp variations in the market within the constraints of the Risk Budget and a daily trading liquidity.

This performance objective will be sought within a maximum ex ante Value at Risk (VaR) of 5% over 20 days, with a confidence interval of 99%. The Sub-fund's management also targets, by way of example, an average annual ex post volatility of [3%–5%] over the investment horizon.

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 Sub-fund 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.

2.2. GLOBAL MACRO STRATEGY

The global macro strategy is uncompromisingly focused on performance, combining strategic and tactical positions and arbitrages on all interest rate and international currency markets.

The Sub-fund's performance has stronger links to relative trends on 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 the other asset classes.

The 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, an analysis of capital flows and relative market valuations.

The overall modified duration of the portfolio will range from 0 to +6.

2.3. MANAGEMENT OF OECD GOVERNMENT BONDS

1. **Active management of the portfolio's exposure to global bond market risk (in modified duration);**
2. **Allocation of the portfolio's modified duration** (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 modified duration** (positive or negative) as allocated 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]: specific use of flattening, restructuring or parallel 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).

2.4. 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.

2.5. CURRENCY MANAGEMENT:

1. Strategic exposure to the US dollar: purchase or sale of the US dollar against all other currencies;
2. Relative allocation between the three major currency "blocs": "European currency bloc" (euro, pound sterling, Norwegian and Danish krone, Swedish and Icelandic krona, Swiss franc, Polish zloty, Czech koruna, Hungarian forint);

3. "yen currency bloc" (yen, South Korean won); "commodities currencies bloc" (grouping currencies whose performance is linked to commodity prices: the Canadian dollar, the Australian dollar, the New Zealand dollar, and the South African rand);
4. Allocation within each bloc by buying and selling each of the currencies comprising the bloc;
5. Diversification among non-OECD market currencies.

2.6. ACTIVE CASH MANAGEMENT

2.7. THE OBJECTIVE IS TO ACHIEVE A HIGHER RETURN ON THIS PART OF THE PORTFOLIO THAN THAT OF THE MONEY MARKET, WITH THE DIVERSIFICATION OF ISSUERS, THROUGH A STRATEGY OF ARBITRAGE ON LIQUIDITY AND DURATION. ARTIFICIAL INTELLIGENCE (AI)

Generative artificial intelligence can support investment research by strengthening analytical rigour, limiting behavioural biases and ensuring consistency of decisions. However, it does not replace the discretionary judgement of the fund managers. Its integration represents a natural evolution of the investment process, not a change in the macroeconomic discretionary framework already in place.

3. DESCRIPTION OF ASSET CLASSES AND FORWARD FINANCIAL INSTRUMENTS IN WHICH THE SUB-FUND INTENDS TO INVEST, AND THEIR CONTRIBUTION TO THE ACHIEVEMENT OF THE MANAGEMENT OBJECTIVE

3.1. EQUITIES

There will be no investment in equities.

3.2. DEBT SECURITIES, EQUIVALENT SECURITIES AND FINANCIAL INSTRUMENTS

Money market instruments:

The Sub-fund may invest up to 100% of its net assets in:

- money market instruments (Treasury Bills, annual interest Treasury Bills, commercial paper, Euro Commercial Paper and money market UCITS),
- reverse repurchase agreements,
- deposits.

Bond market instruments

Communication on the use of ratings: Investment in non-government bonds is governed by constraints based on the H2O AM internal rating ("rating") of issues or issuers.

These internal ratings are attributed by the Management Company following its credit analysis, to all non-government bonds in the portfolio, before and during their holding. This analysis does not rely exclusively or automatically on the ratings of credit rating agencies:

- if the security is referenced by an agency, then the rating is one element taken into account among others in the internal evaluation process;
- the absence of rating of the issue or issuer by rating agencies does not lead to the exclusion of the security from the investment universe.

Therefore, the classification by the Management Company of OECD non-government bonds as Investment Grade or Speculative Grade (the latter rating is attributed to all securities that are not rated Investment Grade) may differ from that of rating agencies, for example because of a difference in the assessment of the support provided to the issuer of the bond by an entity controlling the issuer, or because of a different assessment of the dynamics of the core quality of a bond issuer.

The Sub-fund may only invest:

- up to 100% of net assets in bonds issued or guaranteed by OECD Member States (including bonds issued or guaranteed by the European Union or its institutions) or quasi-sovereign bonds without rating constraints;
- up to 40% of net assets in non-government bonds issued by companies with their registered office in an OECD country and classified as investment grade by the Management Company, including up to 20% of net assets in the most senior tranche of Asset-Backed Securities, including Mortgage-Backed Securities (ABS - securitisations of non-mortgage credit portfolios such as consumer loans, automotive loans, credit cards; MBS - securitisations of mortgage portfolios)
- up to 20% of net assets in:
 - government and/or quasi-sovereign and/or supranational and/or non-government bonds, issued by non-OECD countries, without rating constraints and denominated in G4 currencies (USD, EUR, GBP, JPY) or in

local currencies;

- and/or OECD non-government bonds classified as "Speculative Grade" by the Management Company.

It is specified that the investment limits described above authorise the Sub-fund to invest in different types of bonds (fixed-rate, variable-rate, index-linked, contingent convertible bonds). However:

- the total exposure resulting from contingent convertible bonds may not exceed 10% of the net assets.

3.3. CURRENCIES

The Sub-fund may be exposed to all currencies, both OECD and non-OECD, through both purchases and sales. The risk associated with currency purchases and sales will be actively managed within a total non-euro commitment limit of 150% of the assets.

3.4. SUMMARY

Reminder of the main investment limits	
Sensitivity range for interest rates	[-0; +6]
Geographical region of issuers	All geographical areas
Base currency of securities	All currencies
Currency risk permitted	[0%–+150%]
OECD government bonds	Maximum 100% of the net assets
OECD non-government bonds rated "Investment Grade" by the Management Company	Maximum 40% of the net assets
of which securitised bonds (ABS & MBS) rated at least AA/Aa2	Maximum 20% of the net assets
Non-OECD government and non-government bonds and/or OECD non-government bonds classified as "Speculative Grade" by the Management Company	Maximum 20% of the net assets
OECD and non-OECD currencies	All currencies

3.5. SPECIFIC INSTRUMENTS: SHARES/UNITS IN INVESTMENT FUNDS

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

UCITS under French law*	X
UCITS under European law*	X
AIFs under French law which comply with Article R. 214-13 of the French Monetary and Financial Code*	X
European AIFs which comply with Article R. 214-13 of the French Monetary and Financial Code*	X
Investment funds under foreign law which comply with Article R. 214-13 of 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 Sub-fund may be managed by the Management Company or a legally affiliated company.

3.6. DERIVATIVES

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

These are an alternative to bearer securities, especially in times of cash flow movement associated with subscriptions/redemptions or in specific circumstances such as major market fluctuations.

The Fund's commitment to forward financial instruments will be managed by adhering to a maximum ex-ante "Value-at-Risk" (VaR) restriction of 5%, over a period of 20 days and with a confidence interval of 99%. It will not exceed this maximum amplification capacity.

The table below details the Sub-fund's operating conditions regarding derivatives.

TABLE OF DERIVATIVES

Type of instruments used	MARKET TYPE			RISK TYPE					OPERATION TYPE			
	Admission to regulated markets*	Organised markets	Over-the-counter markets	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Futures on												
Equities												
Interest rate	X	X			X			X	X	X	X	
Foreign exchange	X	X				X		X	X	X	X	
Indices	X	X			X	X	X	X	X	X	X	
Options on												
Equities												
Interest rate	X	X	X		X			X	X	X	X	
Foreign exchange	X	X	X			X		X	X	X	X	
Indices	X	X	X	X				X	X	X	X	
Swaps												
Equities												
Interest rate			X		X			X	X	X		
Foreign exchange			X			X		X	X			
Indices												
Foreign exchange forwards												
Currency(-ies)			X			X			X	X	X	
Credit derivatives												
Credit default swaps (CDS)			X				X	X	X	X	X	
First-to-default												
First-loss credit default swaps												

* See the investment manager's policy on order execution at www.h2o-am.com

The Sub-fund will not use total return swaps.

3.7. INFORMATION RELATING TO OVER-THE-COUNTER FINANCIAL CONTRACTS

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 investment manager. These transactions are systematically covered by a signed contract between the UCITS and the counterparty that defines the procedures for reducing counterparty risk.

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

3.8. SECURITIES WITH EMBEDDED DERIVATIVES

TABLE OF SECURITIES WITH EMBEDDED DERIVATIVES

Type of instruments used	RISK TYPE					OPERATION TYPE			
	Equities	Interest rate	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other strategy(-ies)
Warrants on									
Equities									
Interest rate									
Foreign exchange									
Indices									
Subscription warrants									
Equities									
Interest rate									
Equity link									
Convertible bonds									
Exchangeable bonds									
Convertible bonds									
Contingent convertible bonds	X	X		X	X		X		
Callable interest rate products		X	X	X	X	X	X	X	
Puttable interest rate products		X	X	X	X	X	X	X	
Structured EMTNs/MTNs									
Structured MTNs									
Structured EMTNs									
Credit-linked notes (CLN)									
Other (to be specified)									

* See the investment manager's policy on order execution at www.h2o-am.com

3.9. DEPOSIT

The Sub-fund may make deposits with a maximum term of 12 months. These deposits, which will enable the Sub-fund to manage all or part of its cash, help achieve its management objective.

3.10. CASH AND CASH EQUIVALENTS

The Sub-fund may hold cash and cash equivalents to the extent required for managing these flows.

3.11. CASH BORROWINGS

The Sub-fund may borrow cash up to a limit of 10% of its assets if its cash account temporarily moves into a liability position as a result of its transactions (ongoing investments and divestments, subscription/redemption transactions etc.).

3.12. TRANSACTIONS INVOLVING TEMPORARY ACQUISITION/SALE OF SECURITIES

The Sub-fund may use temporary purchases or sales of securities (also called securities financing transactions) subject to a maximum commitment of 100% of net assets. It is expected that 50% of the assets under management will be subject to securities financing transactions.

Types of transactions used	
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	

Types of operation, all of which must be limited to achieving the management objective	
Cash management	X
Optimisation of Fund earnings and performance	X
Other	

Types of transactions	Reverse purchase agreements	Repurchase agreements	Securities lending	Securities borrowing
Maximum proportion of net assets	100%	100%	100%	100%
Expected proportion of net assets	50%	50%	50%	50%

The assets that may be subject to such transactions are the assets described in the chapter "Description of asset classes" of this prospectus.

3.13. INFORMATION ON THE USE OF TEMPORARY PURCHASES/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 enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or into repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

Additional information on remuneration is provided in the section Fees and commissions.

3.14. CONTRACTS CONSTITUTING COLLATERAL

In connection with the conclusion of 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 investment manager's collateral eligibility policy in accordance with the regulations in force, and encompass the categories below:

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

The eligibility policy for collateral explicitly defines the level of collateral required and the discounts applied to each type of collateral on the basis of rules that depend on their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, valuation, 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:

- placed on deposit;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term money market undertakings for collective investment (UCIs).

Collateral received other than in cash may not be sold, reinvested or pledged as security.

In accordance with the valuation rules laid down in this prospectus, the Management Company will conduct a daily valuation of collateral received on a mark-to-market basis. Margin calls will be made on a daily basis.

The collateral received by the UCITS will be held by its depositary or, failing that, by any third-party depositary that is subject to regulatory supervision and which has no connection with the provider of the collateral.

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

4. TAXONOMY (REGULATION EU 2020/852)

The underlying investments of the Sub-fund do not take into account the EU criteria set out in the Taxonomy Regulation for environmentally sustainable economic activities.

5. RISK PROFILE

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

The net asset value may fluctuate significantly due to the financial instruments included in the portfolio.

Discretionary management risk: The Sub-fund's discretionary management style relies on anticipating the development of the various interest rate and currency markets. Therefore, there is a risk that the Sub-fund may not be invested in the best-performing markets at all times.

Capital risk: the Sub-fund is not covered by any guarantee or protection. Therefore, the capital initially invested may not be repaid in full.

Volatility risk: volatility will be decorrelated from the performance of the traditional bearer securities markets.

Consequently, if the manager expects an increase in volatility but volatility decreases or, conversely, the manager expects a decrease in volatility but volatility increases, there is a risk that the Sub-fund's net asset value may decrease.

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 Sub-fund may decrease.

Currency 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 decrease.

Interest rate risk: this is the risk of a fall in the value of interest rate instruments due to fluctuations in interest rates. When interest rates rise or fall, the net asset value may decrease sharply. Modified duration measures the impact of a change in interest rates on the valuation of the Sub-fund. Therefore, if the Sub-fund has a modified duration of close to 10, a 1% rise in real rates will cause the Sub-fund's net asset value to decrease by 10%, while a 1% fall in real rates will cause the Sub-fund's net asset value to increase by 10%.

Credit risk: This is the risk of a variation in credit spreads arising from a 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 UCITS transactions, 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 may lead to a decrease in its net asset value.

Under market conditions that have deteriorated, 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 loans, mortgages, SME loans, trade receivables etc.) and from specific risks, particularly those associated with the occasionally complex legal structure and the operators involved in the transaction.

If this risk occurs, it may lead to a decrease in the Sub-fund's net asset value.

Counterparty risk: The Sub-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 markets 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 Sub-fund's normal operation in accordance with UCITS regulations, if the interests of investors so dictate. Moreover, since downward movements on emerging markets may be faster and more pronounced than on developed markets, the net asset value may decrease more sharply and rapidly.

Overexposure risk: in order to calculate global risk, 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, while remaining in compliance with the Value-at-Risk (VaR) defined in the investment strategy.

The level of exposure depends in particular 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 decrease faster and/or to a greater extent than the markets underlying these risks.

Risks linked to temporary purchases and sales of securities and the management of collateral: Temporary purchases and sales of securities and the collateral associated with them are likely to create risks for the UCITS such as (i) counterparty risk (as described above), (ii) liquidity risk (as described above) and, where applicable, risks linked to the reuse of collateral, i.e. primarily the risk that the UCITS might be unable to return the collateral it received to the counterparty, when collateral is received in the form of securities, or reimburse the counterparty for collateral received in cash.

Risks related to investments in contingent convertibles: The Sub-fund may invest in subordinated bonds such as contingent convertibles, which are fixed income securities that include an option to convert into shares at the initiative of the issuer in the event of a deterioration of its financial position. In addition to the credit risk and interest rate risk inherent in bonds, the exercise of this conversion option may cause the Fund's net asset value to decrease more significantly than in the case of conventional bonds from the issuer.

Equity risk: Insofar as the Sub-fund may invest in subordinated bonds such as "contingent convertibles", this is exposure to the risk of underlying equities.

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.

Artificial intelligence risk: Portfolio managers can use artificial intelligence tools in the research process. This results in a risk of using information that is inconsistent or misinterpreted by the tools.

6. TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE

R, N and I shares are intended for all subscribers.

The R share is specifically intended for individuals.

SI-B and I shares are specifically intended for institutional investors.

N shares are specifically intended for private individuals investing through distributors, financial advisers, platforms or other intermediaries (collectively, "Intermediaries") under a separate contract or a fee-based contract between the investor and an intermediary.

Minimum recommended investment period: two years or more.

The Fund's units may not be offered or sold in the United States of America to or on behalf of a "US Person" as defined by Regulation 902 of Regulation S under the United States Securities Act of 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.

In accordance with applicable EU regulations⁵ 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.

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

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

We strongly recommend that potential investors ensure their investments are sufficiently diversified and not exposed solely to the risks of this Sub-fund.

⁵ As at 1 June 2022, Regulation (EU) 833/2014, as amended, Regulation (EU) 398/2022 and Council Decision (CFSP) 2022/579.

7. PROCEDURES FOR DETERMINING AND ALLOCATING INCOME

The Sub-fund is an accumulation sub-fund.

7.1. SHARE FEATURES:

Equities	ISIN code	Base currency	Fractional shares	Minimum initial subscription	Minimum subsequent investment
R	FR0011007418	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share
SI-B	FR0011007475	EUR	Ten-thousandths	100,000,000 EUR	One ten-thousandth of a share
N	FR0012087799	EUR	Ten-thousandths	One ten-thousandth of a share	One ten-thousandth of a share
I	FR0013342540	EUR	Ten-thousandths	100,000 EUR	One ten-thousandth of a share

7.2. SUBSCRIPTION AND REDEMPTION PROCEDURES

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

Institution appointed to receive subscriptions and redemptions:

CACEIS Bank: 89–91 Rue Gabriel Péri, 92120 Montrouge, France,
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

Investors intending to purchase shares and shareholders wishing to redeem shares are asked to contact their normal marketing agent directly with regard to the deadline for the receipt of their subscription or redemption application. Investors' attention is drawn to the fact that the deadline applied by the marketing agent concerned may be earlier than the clearing time mentioned above, in order to take account of their deadline for sending orders to CACEIS BANK.

Orders are executed in accordance with the table below:

For shares denominated in EUR and GBP:

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

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

For shares denominated in other currencies:

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

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

Procedures for switching to another unit class and tax consequences: switching between two unit classes constitutes a sale followed by a subscription. It is likely to generate a taxable capital gain for the unitholder.

7.3. LIQUIDITY MANAGEMENT TOOLS

Net asset value adjustment mechanism (Swing pricing) with trigger threshold

Since the creation of the Sub-fund, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their units bear the fees related to transactions carried out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. This mechanism, framed by a policy, is described in Section "Swing-pricing mechanism of the net asset value with trigger threshold".

Redemption capping mechanism (gates mechanism)

The Management Company may implement the so-called “gate mechanism” to spread redemption requests of the Fund’s shareholders 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 impacting the Fund’s assets, and if the interests of shareholders or the public so dictate.

Shareholders may also refer to the Fund’s Articles of Association.

Description of the method used:

The Fund’s shareholders 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 shares of the UCI whose redemption is requested or the total amount of these redemptions, and the number of shares of the UCI whose subscription is requested or the total amount of these subscriptions;
- and the net assets or the total number of shares of the UCI.

As the Fund has several share classes, the gate trigger threshold will be 5% for all the Fund’s share 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 Fund’s assets rather than specifically depending on share 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 gates 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. This maximum period will be null and void once the AMF General Regulation, which currently requires it, is amended.

Information procedures for shareholders:

If the gate mechanism is triggered, all the shareholders of the Fund will be informed by any means via the Management Company’s website at www.h2o-am.com.

The Fund’s shareholders whose orders have not been executed will be informed individually as soon as possible.

Processing of non-executed orders:

Redemption orders will be executed in the same proportions for Fund shareholders who have requested a redemption since the last clearing date. Non-executed orders will automatically be carried forward to the next net asset value and will not take priority over new redemption orders sent for execution at the next net asset value. In any event, redemption orders that are not executed and are automatically carried forwards may not be cancelled by the concerned Fund shareholders.

Exemption:

Round-trip transactions (when a share redemption request is made at the same time as and in connection with a subscription request on the same NAV date, with the same ISIN code, for the same number of shares, by the same intermediary and for the same account) will not be taken into account in the gate mechanism calculation and will therefore be honoured as they are.

Example:

If total redemption requests on the Fund’s shares 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).

8. DATE AND FREQUENCY OF NET ASSET VALUE CALCULATION

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

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

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

9. FEES AND COMMISSIONS

9.1. SUBSCRIPTION AND REDEMPTION FEES

Subscription and redemption fees increase the subscription value paid by the investor or reduce the redemption value. The fees charged by the UCITS serve to offset the charges it incurs when investing and divesting investors' assets. Fees not paid to the UCITS will be paid to the marketing agents, except for those fees expressly reserved for the Management Company.

Fees charged to the investor, payable at the time of subscription or redemption	Base	Rate scale
Maximum subscription fee not retained by the UCITS	Net asset value * Number of shares	R, I and N shares: 1% maximum SI-A and SI-B shares: 3% maximum
Subscription fee retained by the UCITS	Net asset value * Number of shares	None
Maximum redemption fee not retained by the UCITS	Net asset value * Number of shares	None
Redemption fee retained by the UCITS	Net asset value * Number of shares	None

9.2. FEES CHARGED TO THE SUB-FUND

These fees cover:

- Investment management fees;
- Operating expenses and other services;
- Maximum indirect charges (fees and management expenses) if the UCITS invests more than 20% in other UCITS or investment funds;
- Performance fees.

Fees invoiced to the UCITS	Base	Rate scale
Financial management fees	Net assets	Maximum rate R share: 1.14% incl. tax SI-B share: 0.44% incl. tax N share: 0.64% incl. tax I share: 0.54% incl. tax
Operating and other service fees	Net assets	Maximum rate For all shares: 0.25% incl. tax
Performance fee	Positive difference between valued assets and reference assets	N share: 25% incl. tax, of the performance relative to a maximum of zero and the index shown below + 0.55% R share: 25% incl. tax, of the performance relative to a maximum of zero and the index shown below + 0.05% I share: 25% incl. tax, of the performance relative to a maximum of zero and the index shown below + 0.65% SI-B share: None

Third parties, in particular 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. Shareholders can direct any request for further information about these retrocessions to their distributor and/or the Management Company.

The following 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:

- UCI 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.

- 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 shareholders by any means (publication in the press, other);
 - Information specific to direct and indirect shareholders: Letters to shareholders ...;
 - Website administration costs;
 - Translation fees specific to the UCI.
- 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).
- 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.
- Fees related to compliance with regulatory obligations and regulatory reporting
 - Costs of preparing regulatory reports to the regulator specific to the UCI (MMF reporting, AIFM, ratio overruns etc.);
 - Mandatory professional association contributions;
 - Operating contributions paid to the Fonds de Garantie des Dépôts et de Résolution (Deposit Guarantee and Resolution Fund);
 - 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.
- 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.
- VII. 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, in the event of an increase in these costs equal to or less than 10 basis points (0.1%) per calendar year, shareholders may be informed by any means (e.g. on the website of the Portfolio Management Company, in the section relating to the UCITS in question) and not by means of specific information without being offered the possibility of redeeming their shares at no cost. This information should be published before it takes effect.

9.3. PERFORMANCE FEE

The performance of each of the Sub-fund's share classes is calculated on the basis of changes in the net asset value (NAV) of this share class.

The performance fee that applies to a particular share class is based on a comparison of the valued assets of this share class with its reference assets (model based on a benchmark index). Any underperformance of the share class in relation to the benchmark index 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 share class and are understood as follows:

- The **valued assets** are equal to the amount of the Sub-fund's assets in the share class concerned, valued in accordance with the rules applicable to the assets and taking into account the actual operating and management expenses corresponding to this share class.
- 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 share class and valued in accordance with the performance of the relevant benchmark 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 at that date, the reference assets will therefore be equal to the proceeds of the number of shares corresponding to the share class concerned at that date and the highest net asset value of the share class concerned, recorded at the end of each observation period since its launch date and for which performance fees have been charged (hereinafter referred to as "High Water Mark" or HWM);
 - (ii) if the valued assets at the end of the previous observation period are lower than or equal to the reference assets at that date, like during the observation period, the reference assets will be adjusted for subscriptions/redemptions and valued based on the performance of the benchmark index applicable to the share class.

Since 1 January 2026, the benchmark index is equal to the daily capitalised €STR, plus:

- 0.65% per year for I shares,
- 0.55% per year for N shares,
- 0.05% per year for R shares.

Previously, the benchmark index was equal to the daily capitalised €STR, plus:

- 0.75% per year for I shares,
- 0.65% per year for N shares,
- 0.15% per year for R shares.

As a reminder, the data concerning the past performance of the reference indicator are mainly available in the KIDs, monthly reports and the annual report of the UCITS available on the following website: www.h2o-am.com

The Sub-fund's performance is calculated according to changes in the net asset value of each share class.

Until 31 December 2021, the observation periods were defined as follows:

- Initial observation period: For R and N shares: from 16 January 2015 to the last trading day of June 2016;
- For I shares: from 2 July 2018 to the final trading day in June 2019;
- For the following observation periods: from the first trading day of July to the last trading day of June of the following year, by chaining of the H2O EuroAggregate open-ended mutual fund (25 August 2020).

The observation period is now defined as follows:

- Initial observation period: for R, N and I shares: from the first trading day of July 2021 to the last trading day of June 2022.
- Subsequent observation periods: from the first trading day of July to the final trading day of June of the following year.

To avoid artificial variations with the valued assets, the reference assets will be restated for the amounts of subscriptions/redemptions occurring between the recording date of these reference assets and the start of the new observation period.

If, during the observation period, the valued assets of a particular share class exceed the reference assets as defined above, a provision for the performance fee representing a maximum of 25% of the difference between these two asset amounts will be calculated when establishing the net asset value.

If, during the observation period, the valued assets of a particular share 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 shares 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 difference between the valued assets and the reference assets of each share class concerned, they are calculated daily and taken into account when calculating the NAV of the same share class. 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 shareholders.

In other words, and by way of example, any investors subscribing during a period of outperformance 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 shareholders, 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.

As a result, performance fees may be levied when the performance of a share class over a given observation period is negative, for example, where the change in the asset valued over the observation period is greater than the change in the reference asset over that period by movements in liabilities (subscriptions and/or redemptions) or by a performance of the benchmark index that is more negative than that of the share class concerned.

The simulations below illustrate several scenarios that incorporate the assumptions of a subscription during the period and a performance of the reference asset that is more negative than that of the share class concerned.

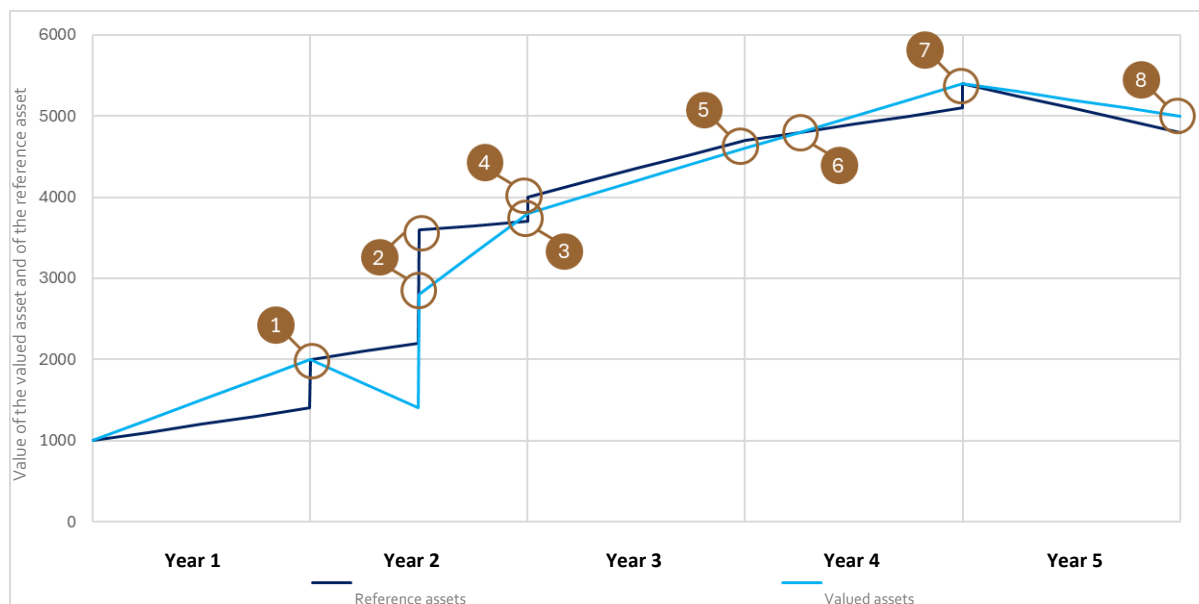
Year 1: The share class ends the first year with a positive performance. The performance fee, which was provisioned when the valued assets were higher than the reference assets, is then crystallised (point 1). The HWM is adjusted to the net asset value recorded on the last day of the observation period.

Year 2: At the start of the second period, the reference assets are adjusted to the new HWM multiplied by the number of shares. At the end of the period, the share class ended with a negative performance, however a large subscription during the period (point 2) followed by an outperformance of the share class compared to the benchmark index, resulting in the valued assets ending the period above the reference assets (point 3). During this observation period, the amount of losses recorded before subscription was recovered after subscription, however the performance of the share class over the period remains negative. The performance fee, which was provisioned when the valued assets were higher than the reference assets, is then crystallised. 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 shares (point 4). As the net asset value of the share class ended the previous financial year under the HWM, this adjustment drives the reference assets above the valued assets. At the end of the period, performance is positive, but the valued assets are still lower than the reference assets (point 5). The Sub-fund makes no provisions for performance fees for this asset class and no performance fee is crystallised at the end of the financial year. The HWM remains unchanged.

Year 4: As no crystallisation was observed at the end of the previous financial year, no specific transactions at the beginning of the period are applied to the reference assets. During this financial year, positive performance means that the valued assets are higher than the reference assets again (point 6) and offsets the underperformance of year three. 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 7) and the HWM is adjusted to the net asset value recorded on that date.

Year 5: At the start of the fifth period, the reference assets are adjusted to the new HWM multiplied by the number of shares. At the end of the period, the share class ends with a negative performance, but it has outperformed the benchmark index. The performance fee, which was provisioned when the valued assets were higher than the reference assets, is then crystallised (point 8). The HWM remains unchanged.



10. INFORMATION ON REMUNERATION GENERATED BY TEMPORARY PURCHASES AND SALES OF SECURITIES

Any proceeds resulting from temporary purchases and sales of securities are paid to the UCITS, net of operating costs.

11. BRIEF DESCRIPTION OF THE SELECTION PROCEDURE FOR INTERMEDIARIES

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 on the website: www.h2o-am.com

II. COMMERCIAL INFORMATION: INFORMATION PROCEDURES FOR UNITHOLDERS:

Distribution of the prospectus and annual and interim documents

These documents will be sent to shareholders upon written request to:

H2O AM EUROPE
39 Avenue Pierre 1^{er} de Serbie, 75008 Paris, France
Email: info@H2O-am.com

These documents will be sent out within one week.

These documents are also available online at www.h2o-am.com

Further information can be obtained from the marketing agents' branches.

Communication of the net asset value

The net asset value can be obtained from H2O AM EUROPE, from branches of the marketing agents and at www.h2o-am.com

Commercial documentation

Commercial documentation is made available to shareholders of the SICAV on the Management Company's website www.h2o-am.com.

Notification of changes to the SICAV's operating procedures

Shareholders are informed of any changes concerning the SICAV in line with the procedures drawn up by the Autorité des Marchés Financiers (French Financial Markets Authority).

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

Environmental, Social and Governance (ESG) criteria

Information on the procedures for taking into account criteria relating to compliance with 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.

III. INVESTMENT RULES

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

In particular, the Sub-fund may invest up to 100% of its assets in securities guaranteed by a State, a local public authority and/or a public international organisation, provided that this 100% is spread over at least six issues, with none of them representing more than 30% of the assets.

IV. OVERALL RISKS

The calculation method used by the Sub-fund is the absolute Value-at-Risk method.

The indicative average leverage level for the UCITS is 11. However, the UCITS may reach a higher leverage level. The indicative level of leverage for the UCITS is calculated as the sum of the nominal positions on the financial contracts that are used.

V. ASSET VALUATION AND ACCOUNTING RULES

1. ASSET VALUATION RULES

1.1. SECURITIES PORTFOLIO

The Management Company has delegated accounting management (including the valuation of the Sub-fund's portfolio) to CACEIS FUND ADMINISTRATION.

The Sub-fund's portfolio is valued each time the net asset value is calculated and when the accounts are closed, at the closing price.

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

The Sub-fund complies with the accounting rules and methods prescribed by current regulations and with the UCITS chart of accounts, which on the prospectus publication date 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 EUR in accordance with the WMR rate for the currency on the valuation date.

Bonds

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

Transferable securities

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

In the case of transferable securities that are not listed or whose prices were not quoted on the valuation date, as well as other items on the balance sheet, the Management Company adjusts their valuations on the basis of changes that seem likely in view of current events. The statutory auditor is informed of these valuations and the justifications for them during their audits.

Foreign securities are converted into the equivalent value in EUR in accordance with the WMR rate on the valuation date.

UCITS/AIFs/investment funds

Units or shares of UCITS/AIFs are valued at the last known net asset value. Foreign Undertakings for Collective Investment carrying out valuations at times that are incompatible with the calculation of the Sub-fund's net asset value are valued on the basis of estimates supplied by the administrators of these undertakings, under the supervision and responsibility of the Management Company.

Negotiable debt securities

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

- French fixed-rate, annual interest treasury bills (Bons du Trésor à taux fixes et à intérêt annuel – BTANs) and fixed-rate bills (Bons du Trésor à taux fixe – 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 negotiable 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 incontestable market price, negotiable 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, negotiable debt securities with a residual maturity of three months or less are valued using 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 those for which a price is not listed on the valuation date, as well as other items on the balance sheet, the Management Company's Executive Board adjusts the valuation on the basis of variations that are likely in view of current events.

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

1.2. FUTURES AND OPTIONS TRANSACTIONS

Organised futures and options markets

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

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 of more than three months are valued at the 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 maturity of more than three months are valued using the turnover rate method using a zero coupon yield curve.

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

Forward foreign exchange contracts

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

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

1.3. OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are measured as follows:

Commitments on futures markets

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.

Swap commitments

- Interest rate swaps

Interest rate swaps with a lifetime of less than three months, secured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of less than three months, unsecured	Nominal value + accrued interest (interest differential)
Interest rate swaps with a lifetime of more than three months, secured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, secured, variable rate/fixed rate	Measurement of the variable-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, fixed rate/variable rate	Measurement of the fixed-rate leg at market price
Interest rate swaps with a lifetime of more than three months, unsecured, variable rate/fixed rate	Measurement of the variable-rate leg at market price

- Other swaps:

These will be measured at their market value.

Commitments on options markets

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

Currencies

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

Unlisted financial instruments and other securities

- Financial instruments whose price has not been recorded on the valuation date are measured 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 EUR in accordance with the WMR rate on the valuation date;
- Financial instruments not traded on a regulated market are measured under the responsibility of the Management Company at their likely trading value;
- Other financial instruments are measured 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 passed on to the statutory auditor during their audits.

2. SWING-PRICING MECHANISM OF THE NET ASSET VALUE WITH TRIGGER THRESHOLD

The Management Company has implemented a net asset value (NAV) adjustment method with a trigger threshold.

This mechanism consists of making investors who subscribe or redeem their shares, bear the fees related to transactions carried out on the Sub-fund's assets owing to movements (subscriptions/redemptions) in the Sub-fund's liabilities. The purpose of this mechanism, which is governed by a policy, is to protect shareholders who remain in the Sub-fund by ensuring that they bear the lowest possible fees. This results in the calculation of an adjusted ("swung") NAV.

This means that if, on a NAV calculation day, the total number of net subscription/redemption orders from investors across all share classes of the Sub-fund exceeds a threshold that is predetermined, based on the objective criteria set out by the Management Company, as a percentage of net assets, the NAV can be adjusted upwards or downwards to take into account the readjustment costs attributable to the respective net subscription/redemption orders. If the Sub-fund issues several share classes, the NAV of each share class is calculated separately but any adjustment has the same impact, as a percentage, on all the NAVs of the Sub-fund's share classes.

The readjustment cost and trigger threshold parameters are determined by the Management Company and periodically reviewed. These costs are estimated by the Management Company based on transaction fees, purchase and sale price ranges and any taxes applicable to the Sub-fund.

It is not possible to accurately predict whether the adjustment mechanism will be applied in the future, or the frequency with which the Management Company will make such adjustments.

Investors are informed that the volatility of the Sub-fund's NAV may not only reflect that of securities held in the portfolio owing to the application of the adjustment mechanism.

The "swung" NAV is the Sub-fund's only net asset value and the only one communicated to the Sub-fund's shareholders.

However, if there is a performance fee, this is calculated based on the NAV before the adjustment mechanism is applied.

3. ACCOUNTING METHODS

Income is recorded on a cash accounting basis.

Trading fees are recorded in the Sub-fund's specific accounts and are not added to the price.

The weighted average cost 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.

VI. REMUNERATION

H2O AM endeavours to ensure that remuneration is fair, and that it complies with regulations and is aligned with employee responsibilities, performance and conduct. The remuneration mechanisms are designed to ensure consistency, competitiveness and compliance with the company's values and investment strategy.

An independent remuneration committee oversees compliance with these principles and evaluates the practices in force on an annual basis.

Variable remuneration depends on an assessment that integrates financial performance, non-financial criteria and risk management, including risks related to sustainability. Part of this remuneration may be deferred over three years as an investment in the funds managed by H2O AM.

Details of the remuneration policy are available at www.h2o-am.com

ADDITIONAL INFORMATION ON FACILITIES FOR INVESTORS

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.

Contact information

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