

## **Internet notice – 31 July 2019 – H2O ADAGIO mutual fund**

- Increase of the indicative average leverage level
- Change to the management objective of the M unit
- Creation of a new institutional unit, hedged in pounds sterling
- Creation of a new Q-EUR unit class, reserved for employees of H2O AM Group companies

Unitholders of the H2O ADAGIO mutual fund under French law are hereby informed:

ISIN code	Unit class	Currency
FR0013186772	N - C	EUR
FR0013239720	HI - B	GBP
FR0010929794	I - C	EUR
FR0012916682	I - D	EUR
FR0013186756	HI - C	AUD
FR0011981794	HI - C	CHF
FR0011981810	HI - C	GBP
FR0013186764	HI - D	JPY
FR0011981778	HI - C	SGD
FR0011981786	HI - C	USD
FR0011981752	HR - C	CHF
FR0012489730	HR - C	GBP
FR0011981711	HR - C	SGD
FR0011981745	HR - C	USD
FR0013284437	HS - C	USD
FR0013321692	HN - C	CHF
FR0013321700	HN - C	GBP
FR0013321684	HN - C	USD
FR0010923359	R - C	EUR
FR0013352028	M - D	EUR
FR0013393188	SR - C	EUR
FR0013393196	HSR - C	SGD
FR0013393204	HSR - C	USD
FR0013393212	HSR - C	CHF

managed by H2O Asset Management LLP, of the following changes:

### **1. Increase of the Fund's indicative average leverage level**

The indicative average leverage level for the UCITS, which is currently 1, will rise to 6.

This not only aggregates the gross commitment generated by the long and short positions of financial contracts on the interest rate markets, but also that generated by the currency positions.

### **2. Change to the management objective of the M unit**

The management objective of the M unit, which currently reads:

- *to outperform the daily compounded EONIA over its minimum recommended investment period,*

has been amended and will now read:

- to outperform the daily compounded EONIA by 1.3% per annum over its minimum recommended investment period.

### **3. Creation of a new HGBP-I –(A) (C) unit**

The **HGBP-I –(A) (C)** unit will have the following characteristics:

- ISIN code: FR0013424702
- Allocation of income: Accumulation
- Base currency: GBP
- Target subscribers: All subscribers, particularly institutional investors
- Minimum initial subscription: GBP 100,000
- No minimum subsequent subscription amount
- Original value: GBP 100
- Operating and management fees of up to 0.35% (including taxes) of net assets
- Benchmark index: 1-month GBP LIBOR.
- 25% performance fee (including taxes) of any outperformance of the benchmark index 1% p.a.
- Subscription fee payable to the Management Company: max. 1%
- No redemption fee
- Units are subdivided into ten-thousandths of a unit

### **4. Creation of a new Q-EUR unit class, reserved for employees of H2O AM Group companies**

The Q-EUR unit will have the following characteristics:

- Target subscribers: Employees of H2O AM Group companies
- ISIN code: FR0013425287
- Allocation of income: Accumulation
- Base currency: EUR
- Minimum initial subscription: One unit
- Minimum subsequent subscription: One unit
- Initial net asset value: EUR 20,000
- Operating and management fees of up to 0.10% (including taxes) of net assets
- Benchmark index: Daily compounded EONIA + 1.25%
- Performance fee: none
- Subscription fee payable to third parties: none
- Subscription fee payable to the Management Company: 10%
- Redemption fee: none
- Splitting: none

These changes will have no impact on the other characteristics of the UCITS, which remain unchanged.

These various changes will take effect on 5 August 2019.

The Key Investor Information Documents (KIIDs) and the Prospectus for the H2O ADAGIO mutual fund are available free of charge:

- From the registered office of H2O AM LLP: 10 Old Burlington Street, London W1S 3AG, United Kingdom. They will be sent to you within eight business days of receipt of a written request.
- And at the following website: [www.h2o-am.com](http://www.h2o-am.com).