

Internet notice – 31 July 2019 – H2O ADAGIO French 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

**The unit class is not registered in the United Kingdom.*

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 |

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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.

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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

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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

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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.
- from the facilities agent Société Générale Securities Custody London, SG House, 41 Tower Hill, London EC3N 4SG, United Kingdom,
- And at the following website: www.h2o-am.com.