

# H2O ADAGIO FCP

## REGULATIONS 1 OCTOBER 2020

### SECTION 1 - ASSETS AND SHARES

#### Article 1 - Co-ownership shares

The co-owners' rights are expressed as shares, each share representing an equal fraction of the assets of the Fund. Each shareholder has a co-ownership right to the Fund's assets, proportional to the number of shares held.

The term of the Fund is 99 years from its inception, except in the event of early dissolution or extension, as provided for in these regulations.

Classes of share:

The features of the various classes of share and their access conditions are stated in the Fund prospectus.

The various classes of share may:

- have different income distribution regimes (distribution or accumulation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different nominal value;
- be accompanied by systematic hedging against risk, whether partial or total, as defined in the prospectus. This hedging is provided through the use of financial instruments which reduce the impact of hedging transactions on the other share categories of the FCP to a minimum;
- be restricted to one or several marketing networks.

The shares may be divided, on the decision of the corporate officer of the management company, into tenths, hundredths, thousandths or ten-thousandths, these being known as fractions of shares.

The provisions of the regulations governing the issue and redemption of shares apply to fractions of shares, whose value will always be proportional to that of the share they represent. Unless stated otherwise, all other provisions of

the regulations relating to shares apply to fractions of shares without the need to specify further provisions to that effect.

Finally, the corporate officer of the management company may, at its own discretion, split the shares by creating new shares, which shall be allocated to shareholders in exchange for their existing shares.

#### Article 2 - Minimum amount of assets

Shares cannot be redeemed if the assets of the Fund fall below €300,000; if the assets fall below this amount for thirty days, the management company will take the necessary measures in order to liquidate the FCP or to carry out one of the transactions set forth under Article 411-16 of the general AMF regulation (change of the FCP).

#### Article 3 - Issue and redemption of shares

Shares may be issued at any time at the request of holders, on the basis of their net asset value plus subscription fees, where applicable.

Subscriptions and redemptions are effected in accordance with the terms and conditions defined in the prospectus.

Shares of mutual funds may be admitted to an official listing in accordance with the regulations in force.

Subscriptions must be fully paid up on the day of calculation of the net asset value.

Subscriptions may be made in cash and/or by the contribution of financial instruments. The management company is entitled to refuse the securities offered and, to this end, has a period of seven days from the date of their deposit in order to notify its decision. In the case of acceptance, the securities provided are valued in accordance with the rules specified in Article 4 and the subscription takes place on the basis of the first net asset value following acceptance of the securities concerned.

Redemptions may be in cash and/or in kind.

If the redemption in kind corresponds to a representative proportion of the assets in the portfolio, then the UCITS/AIF or the management company only needs to obtain written agreement signed by the redeeming shareholder. Where the redemption in kind does not correspond to a representative portion of the assets in the portfolio, all shareholders must provide written agreement authorising the redeeming shareholder to redeem its shares for certain particular assets, as explicitly defined in the agreement.

Notwithstanding the foregoing, when the Fund is an ETF, redemptions on the primary market may, with the agreement of the portfolio management company and in compliance with the interests of shareholders, be made in kind under the conditions defined in the prospectus or the Fund regulations. The assets are delivered by the issuer's account holder under the conditions set out in the prospectus.

In general, the redeemed assets are valued according to the rules set out in Article 4 and the redemption in kind is made based at the first net asset value following acceptance of the securities concerned.

Redemptions are settled by the issuer's account holder no later than five days following the day of valuation of the share.

However, if in exceptional circumstances the reimbursement requires the prior realisation of assets held in the Fund, this period may be extended to a maximum of 30 days.

Except in the case of succession or an inter vivos gift, the sale or transfer of shares between holders, or from holders to a third party, is deemed to be a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary in order to reach at least the minimum subscription amount specified in the prospectus.

Pursuant to Article L. 214-8-7 of the Monetary and Financial Code, the Fund's redemption of its shares, and the issue of new shares, may be suspended on a temporary basis by the management company if exceptional circumstances so require and if the interests of the holders so dictate.

Where the net assets of the Fund are below the amount specified in the regulations, no redemption of shares may be effected.

Minimum subscription conditions may apply, in accordance with the terms of the prospectus.

The Fund may cease, provisionally or definitively, in whole or in part, to issue shares pursuant to paragraph 3, Article L. 214-8-7 of the Monetary and Financial Code in objective situations leading to the closure of subscriptions, such as a maximum number of shares issued, a maximum number of assets being reached or the expiry of a fixed subscription period.

The triggering of this tool will be the subject of information by any means of the existing shareholders relating to its activation, as well as the threshold and the objective situation that led to the decision to partially or completely close subscriptions. In the event of a partial closure, this information by any means will explicitly state the terms under which existing shareholders may continue to make subscriptions for the duration of the partial closure. Shareholders are also informed by any means of the decision of the UCI or the management company to either terminate the total or partial closure of subscriptions (when falling below the trigger threshold), or to not terminate it (in the event of a change in threshold or change in the objective situation leading to the implementation of this tool). A change in the objective situation invoked or the trigger threshold of the tool must always be made in the interests of the shareholders. Information by any means specifies the exact reasons for these changes.

#### **Article 4 - Calculation of net asset value**

The net asset value of the shares is calculated in accordance with the valuation rules specified in the prospectus.

Contributions in kind may only comprise securities or contracts that are permitted to form part of the assets of UCITS; contributions and redemptions in kind are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

### **SECTION 2 - OPERATION OF THE FUND**

#### **Article 5 - Management company**

The Fund is managed by the management company in accordance with the guidelines specified for the Fund.

The management company acts in all circumstances in the exclusive interest of shareholders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

### **Article 5a - Operating rules**

The instruments and deposits in which the UCITS' assets may be invested and the investment rules are described in the prospectus.

### **Article 5b – Admission to trading on a regulated market and/or multilateral trading facility**

Shares may be admitted to trading on a regulated market and/or multilateral trading facility in accordance with the regulations in force.

If the Fund whose shares are listed on a regulated market has an index-based management objective, the Fund must have implemented measures to ensure that the price of its shares does not deviate significantly from its net asset value.

### **Article 6 – Depository**

The depository carries out the duties imposed by the applicable laws and regulations and those contractually assigned by the management company. It must, among other duties, ensure that the decisions of the management company comply with law and regulations. It must, where applicable, take all precautionary measures that it considers appropriate.

In the event of any dispute with the management company, the depository shall inform the AMF.

### **Article 7 – Auditor**

An auditor is appointed for a term of six years by the management company's governance body, subject to approval by the AMF.

The auditor shall certify that the financial statements provide a true and fair view of the Fund's position

The auditor's term of office may be renewed.

The auditor shall bring to the attention of the AMF as quickly as possible any fact or decision affecting the fund of which it becomes aware in the course of its audit that may:

1. constitute a breach of applicable laws or regulations likely to have a significant impact on the financial position, profit, assets or liabilities of the Fund;
2. impair the Fund's operations or its ability to continue as a going concern;

3. require it to approve with reservations or refuse to approve the financial statements.

Valuations of assets and the determination of exchange parities in any transaction involving a conversion, merger or split shall be carried out under the supervision of the auditor. The auditor shall be responsible for assessing any contribution or redemption in kind, except in the case of redemptions in kind for an ETF on the primary market. Prior to publication, the auditor shall verify the composition of the asset base and other elements.

The fees charged by the auditor are decided by mutual agreement between the auditor and the board of directors or executive board of the management company taking into account a work program specifying the due diligence deemed necessary.

The auditor shall verify situations serving as a basis for the distribution of payments.

The auditor's fees are included in the management fees.

### **Article 8 - Financial statements and management report**

At the end of each financial year, the management company prepares the financial statements and a report on the management of the Fund during the past financial year.

The management company shall establish, at least biannually and with the supervision of the depository, the inventory of the UCITS' assets.

The management company shall make these documents available to shareholders no later than four months after the financial year-end and shall notify them of the amount of income to which they are entitled. These documents shall either be sent by post at the shareholders' express request or shall be made available to them at the offices of the management company.

## **SECTION 3 - ALLOCATION OF DISTRIBUTABLE INCOME**

### **Article 9 – Allocation of distributable income**

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and share-outs, directors' fees and all income generated by the securities held in the portfolio of the Fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.

The distributable sums consist of:

1. Net income for the year plus retained earnings from previous years, plus or minus current-year net accruals;

2. Realised net capital gains, minus net capital gains realised in the current year, plus net capital gains of the same type recognised in previous years that have not been distributed or capitalised, plus or minus current-year net capital gain accruals.

The amounts referred to in points 1 and 2 above may be partly or wholly distributed independently of each other.

The income distribution procedures are defined in the Prospectus.

#### **SECTION 4 - MERGER - SPLIT - DISSOLUTION - LIQUIDATION**

##### **Article 10 - Merger – Split**

The management company may merge all or part of the assets of the Fund with another UCITS or AIF, or split the Fund into two or more mutual funds.

Such mergers or splits may only be carried out after the holders have been notified. They give rise to the issue of a new certificate stating the number of shares held by each holder.

##### **Article 11 - Dissolution – Extension**

- If the assets of the Fund remain below the amount specified in Article 2 above for thirty days, the management company shall inform the *Autorité des marchés financiers* and shall dissolve the Fund, except in the event of a merger with another mutual fund.

- The management company may dissolve the Fund early; it shall inform shareholders of its decision and from that date subscription and redemption orders shall no longer be accepted.

- The management company shall also dissolve the Fund if a request is made for the

redemption of all the shares, if the depositary's appointment is terminated and no other depositary has been appointed, or upon the expiry of the Fund's term, unless such term is extended.

The management company shall inform the *Autorité des marchés financiers* by post of the dissolution date and procedure adopted.

It shall subsequently send the auditor's report to the *Autorité des marchés financiers*.

The management company may decide to extend the life of the fund by agreement with the depositary. Its decision must be taken at least three months before the expiry of the Fund's term and must be communicated to the shareholders and the *Autorité des marchés financiers*.

##### **Article 12 - Liquidation**

In the event of dissolution, the management company shall take on the liquidator's functions, failing which the court shall appoint a liquidator at the request of any interested party. To that end, it is vested with the widest powers to realize the assets, pay any creditors and distribute the available balance among the shareholders in cash or securities.

The auditor and the depositary shall continue to perform their duties until the liquidation operations have been completed.

#### **SECTION 5 – DISPUTES**

##### **Article 13 - Jurisdiction - Election of domicile**

Any disputes relating to the Fund arising during its term or at the time of its liquidation, either between the shareholders themselves or between the shareholders and the management company or the depositary, are subject to the jurisdiction of the competent courts.