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H₂O AM ANNOUNCES THE OPENING OF ITS OFFER TO EXIT SIDE-POCKETED FUNDS

On 7 August 2024, pursuant to a settlement with the Financial Conduct Authority (FCA), H₂O AM Group announced that it had secured €250 million to finance an offer (the "Offer") to all unitholders of side-pocketed funds. This Offer presented by H₂O AM LLP, the terms of which have been shared with the *Autorité des marchés financiers* (AMF), allows a definitive exit from the side-pocketed funds for all unitholders accepting it, without affecting their right to benefit from any future payments linked to these same side-pocketed funds. This Offer is now open to all unitholders of the side-pocketed funds until 24 January 2025.

In addition to the €229 million already repaid by the side-pocketed funds, the €250 million Offer will be paid to all unitholders in accordance with the following terms:

1. All unitholders will be allocated a minimum of €170 million. Holders who take part in the Offer will receive this amount upon payment of the Offer. Holders who do not take part in the Offer will receive this sum on 31 January 2031, provided that the sum allocated to them has not been used in their favour by that date;
2. Participants in the Offer will also benefit from an increased payment of up to €80 million.

These two components of the Offer will be paid in a single instalment to the participants, who will in exchange sell their units to H₂O AM LLP. The side-pocketed funds will therefore no longer appear on their portfolio statements (life insurance contracts, securities accounts, etc.). Participants will also waive any right to take legal action and any pending legal action in relation to the side-pocketed funds and the investments held by the side-pocketed funds and their management. While retaining the benefit of potential future reimbursements linked to the side-pocketed funds, unitholders accepting the Offer will be guaranteed a minimum recovery rate. Accordingly, unitholders who sold their FCP units on 14 October 2020 and who accept the Offer will recover, depending on the fund, at least between 87% and 93% of the value of their total investment on the suspension date of 28 August 2020.

H₂O AM's Offer is open to all unitholders of side-pocketed funds, including those already involved in legal proceedings.

Finally, in the interest of all unitholders, participating or not, H₂O AM remains, alongside the implementation of the Offer, fully committed to pursuing its recovery effort related to the assets still held by the side-pocketed funds. The €229 million already repaid as well as the €250 million Offer constitute a minimum repayment. Our objective remains to exceed this level in the interests of unitholders.

H₂O AM also confirms its commitment to return to investors any sums recovered, in the context of the appeal before the *Conseil d'État*, from the pecuniary sanction already paid by H₂O AM LLP.

How can I take part in the Offer?

The Offer will remain open until 24 January 2025 for all unitholders of the side-pocketed funds listed below: H2O Adagio SP, H2O Allegro SP, H2O Moderato SP, H2O MultiBonds SP, H2O MultiEquities SP, H2O MultiStrategies SP, H2O Vivace SP.

To find out more, please visit our dedicated website <https://h2o.is.kroll.com>, where you will find the terms and conditions relating to the Offer, as well as a tool for calculating the recovery rate for each share class.

For life insurance, please contact your financial intermediary or insurance company.

If you have any questions, please contact your financial intermediary or send us an email at the following addresses:

E-mail for unitholders (institutional or retail investors): h2o-identification@is.kroll.com

E-mail for custodian banks: h2o@is.kroll.com

About H2O AM

Founded in 2010 and with offices in Paris, Monaco, London, Geneva and Singapore, H2O AM is an independent asset management company, mainly specialising in Global Macro strategies.

Based on an investment process developed over more than thirty years and employing proprietary quantitative engineering, the team implements a discretionary investment process based on a Top-Down and Value approach.

Through relative value strategies in bonds, currencies and equities, H2O AM offers its clients the benefits of diversified alpha with assumed and controlled risk over a defined time horizon.

www.h2o-am.com

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Disclaimer

This document has been prepared by H2O AM LLP and H2O AM Europe.

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