

## H2O AM LLP

### EXPLANATORY NOTE OF 15 OCTOBER 2024 ON THE OFFER TO UNITHOLDERS IN CERTAIN H2O FUNDS

**THIS DOCUMENT IS IMPORTANT. PLEASE READ IT CAREFULLY.**

**THE DEADLINE FOR PARTICIPATING IN THE OFFER DESCRIBED IN THIS DOCUMENT IS 24 JANUARY 2025**

H2O AM LLP is pleased to provide this note of guidance to unitholders in the below listed funds on the offer to be made to purchase their units as part of a settlement agreement (the “**Offer**”). The Offer will be made to all legal owners of units in the following funds as at the date of this note, (the “**Units**”) regardless of Unit class (the “**Unitholders**”):

- H2O Adagio SP
- H2O Allegro SP
- H2O Moderato SP
- H2O MultiBonds SP
- H2O MultiEquities SP
- H2O MultiStrategies SP
- H2O Vivace SP (together, the “**SP Funds**”).

The full list of ISINs for the SP Funds is available in the Schedule to the FAQ available here: <https://h2o.is.kroll.com/#case2>

Each Unitholder needs to decide whether or not to accept the terms of the Offer.

Each Unitholder who chooses to participate in the Offer will need to provide the information requested in this note via the Offer website at <https://h2o.is.kroll.com> (the “**Offer Website**”), by Friday 24 January 2025, (the “**Offer Closing Date**”).

We use some words and phrases with defined meanings in this document. These words have capital letters. To the extent their meanings are not set out in this document, please refer to the Glossary available: <https://h2o.is.kroll.com/#case4>

Any questions in relation to this note or procedures in connection with the Offer may be directed to the Information Agent:

**Kroll Issuer Services Limited**

The Shard

32 London Bridge Street

London SE1 9SG

**Website:** <https://h2o.is.kroll.com>

**Email for Unitholders (institutional or retail investors):** [h2o-identification@is.kroll.com](mailto:h2o-identification@is.kroll.com)

**Email for custodian banks:** [h2o@is.kroll.com](mailto:h2o@is.kroll.com)

**Attention:** h2o Team

**Kroll Issuer Services Limited is the agent of H2O AM LLP and owes no duty to any Unitholders, express or implied.**

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## 1 Introduction and summary

- 1.1 The purpose of this document is to provide you with important information about the Offer to help you to decide whether to participate in the Offer to Unitholders in the SP Funds that was announced by the H2O AM Group on 7 August 2024.

*Who does this document affect?*

- 1.2 The Offer is made to all Unitholders, i.e. to all investors in the SP Funds as at the date of this note. The contents of this document are relevant to all Unitholders. The Offer is not relevant to investors in other funds managed by entities within the H2O AM Group.

*Outline of the Offer*

- 1.3 The H2O AM Group proposed the Offer which is designed to promote the interests of Unitholders by giving them certainty of outcome, an accelerated exit from the SP Funds, and a higher level of financial recovery when compared to Unitholders who choose not to participate in the Offer.
- 1.4 To fund the Offer, the H2O AM Group has secured €250 million to pay to Unitholders, which is held in a secured bank account for the benefit of Unitholders (the “**€250M Secured Sum**”). Unitholders can choose whether or not to participate in the Offer. Those who choose to participate will sell their units in the SP Funds to H2O AM LLP, give up their rights to bring certain claims against H2O AM LLP and third parties, and relinquish any existing claims against those parties. Please see paragraph 3.2 below for further detail regarding the rights and claims a Unitholder who participates in the Offer (a “**Participating Unitholder**”) will waive. Whilst H2O AM LLP disputes all such claims, it is willing to make this Offer as it believes it offers the best outcome for Unitholders for the reasons set out in paragraphs 4.3 - 4.10 below.
- 1.5 H2O AM LLP is making the Offer with the significant support of the H2O AM Group because the H2O AM Group believes that this represents the best outcome for Unitholders, allowing them to exit the SP Funds more quickly than any other options available and with a guaranteed minimum payout. Please see paragraphs 3.9-3.19 below for further detail regarding the payout.
- 1.6 To the extent the H2O AM Group is able to realise value in the assets held by the SP Funds, all corresponding sums will also be paid in due course to all Unitholders, including those who have sold their Units to H2O AM LLP, in addition to the €250M Secured Sum. Unitholders who choose to participate will thereby retain rights to future payments that they would ordinarily give up on selling their Units. In addition, H2O AM LLP will return to all Unitholders any monies it is able to recover from its current appeal before the French Administrative Supreme Court (*Conseil d’Etat*) against the pecuniary sanction imposed by the *Autorité des marchés financiers* (the “**AMF**”) on 30 December 2022.

*Important information*

- 1.7 More detail on why H2O AM LLP is making the Offer, how it will work, things to consider in deciding whether or not to participate, and arrangements for participating in the Offer are set out in the remainder of this document.
- 1.8 Further information regarding the Offer and the forms to be submitted to participate in the Offer can be found under the “Offer Documentation” tab on the Offer Website.
- 1.9 This document and the supporting documents contained under the “Offer Documentation” tab on the Offer Website do not constitute any investment advice, recommendation, financial promotion or any other investment service. Each Unitholder’s decision must be taken in light

of their own circumstances. The H2O AM Group encourages Unitholders to take appropriate advice before deciding whether to participate in the Offer.

## 2 Why H2O AM LLP is making the Offer

### *H2O AM LLP*

- 2.1** H2O AM LLP is a UK-based portfolio management company founded in 2010. It is now one of the subsidiaries of the Luxembourg-headquartered H2O AM Group, which also includes entities in France and elsewhere. In response to Brexit, in recent years the H2O AM Group has gradually transferred its portfolio management team to continental Europe.
- 2.2** H2O AM LLP specialises mostly in global macro investment strategies serving institutional, corporate and (indirectly) individual investors through a range of UCITS, actively managed across global debt, currency and, for some funds, equity markets.

### *Background to the SP Funds*

- 2.3** H2O AM LLP's core investment strategies (which typically accounted for well over 95% of the deployed assets of its funds) generally comprised highly liquid, mainstream investments such as sovereign debt and currencies.
- 2.4** During the period between April 2015 and 2019, H2O AM LLP invested around half of its overlay strategy and all of the private debt element allocated to seven French UCITS funds<sup>1</sup> (the "**Initial Funds**") in securities and other financial instruments issued by companies within the same group (the Tennor Holding BV group) or that were otherwise linked to that group (the "**Investments**").
- 2.5** During the first half of 2020, adverse fund performance led to a decrease in total net asset value of the Initial Funds and thus a mechanical increase of the weighting of private securities. On 28 August 2020, due to concerns regarding the valuation of the Initial Funds, the AMF required H2O AM LLP to suspend three of the Initial Funds. H2O AM LLP voluntarily suspended the other four Initial Funds that were also exposed to the Investments.
- 2.6** During September and October 2020, the Investments held by each of the Initial Funds were contained in SP Funds closed to further subscriptions and redemptions and all other assets held by the Initial Funds were moved to new open funds<sup>2</sup> (the "**Mirror Funds**"), in which trading opened on 14 October 2020.

### *What's happened since the side pocketing?*

- 2.7** Since the side pocketing took place, the SP Funds have held only cash and instruments that no longer correspond to the global macro investment strategies employed in relation to the Mirror Funds. The SP Funds have been placed in liquidation and are managed in run-off, in accordance with applicable regulations. There has been no issuance of new Units or redemption of existing Units in the SP Funds.
- 2.8** At the time of the suspension, the total value of the Initial Funds was €9.842 billion, of which assets valued at approximately €1.643 billion were contained in the SP Funds.
- 2.9** Consistent with the requirements of the side pocketing process, the H2O AM Group has sought to liquidate the SP Funds. As of 30 September 2024, a total of €229 million has already been returned to investors in separate payments made in January 2023 and March 2024. The valuation of the assets has also been reduced on several occasions, linked notably to failures by the issuers to honour payment commitments and despite the strategies

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<sup>1</sup> H2O Adagio; H2O Allegro; H2O Moderato; H2O MultiBonds; H2O MultiEquities; H2O MultiStrategies; and H2O Vivace.

<sup>2</sup> H2O Adagio FCP; H2O Allegro FCP; H2O Moderato FCP; H2O MultiBonds FCP; H2O MultiEquities FCP; H2O MultiStrategies FCP; and H2O Vivace FCP.

deployed to liquidate the assets, so that the combined estimated value of the SP Funds as at 31 August 2024 was €90 million.

- 2.10** The AMF investigated matters relating to the Investments on the basis of French rules applicable to French UCITS and imposed a pecuniary sanction of €75 million on H2O AM LLP on 30 December 2022. That outcome is currently subject to appeal to the *Conseil d'Etat* in France.
- 2.11** The Financial Conduct Authority (the “**FCA**”) (as regulator of H2O AM LLP) also opened an investigation in relation to similar matters. With the substantial amount secured for Unitholders, thanks to the significant support of the H2O AM Group, as part of a settlement agreed between H2O AM LLP and the FCA, the FCA concluded its investigation. H2O AM LLP agreed to the publication of a notice of censure describing the FCA's findings, without any admission of liability.
- 2.12** In the FCA's notice, the FCA acknowledged that the settlement and the Offer met its objectives, which include protecting consumers and protecting the integrity of the financial system, despite describing the breaches of the FCA's rules as extremely serious. The FCA also noted the measures taken by H2O AM LLP in the period since the Investments to significantly enhance its governance, systems and controls to ensure that similar misconduct will not occur in future. These measures taken by the H2O AM Group include implementing a new governance model with changes to senior management roles and responsibilities, and undertaking a culture review and change programme, as well as enhancements to its policies and procedures. The FCA notice can be found here: <https://www.fca.org.uk/publication/final-notices/h2o-am-llp-2024.pdf>
- 2.13** In addition to the regulatory actions described above, civil proceedings have been brought by certain investors in the SP Funds against entities within the H2O AM Group and third parties.

### 3 How the Offer will work

- 3.1 The Offer, which was initially discussed with the FCA and also shared with the AMF, has been designed with the assistance of an independent consulting firm.
- 3.2 All Unitholders will have the opportunity to sell their Units to H2O AM LLP as part of a settlement agreement. Those who participate in the Offer will receive an enhanced and earlier payment from the €250M Secured Sum as compared to Unitholders who choose not to participate. Unitholders who participate in the Offer will be required to give up their right to pursue claims in respect of the SP Funds and/or the Investments. The terms and conditions of the Offer and the Settlement Agreement, including the terms of the waiver can be found here: <https://h2o.is.kroll.com>
- 3.3 The €250M Secured Sum required to fund the Offer is held in an account secured for the benefit of Unitholders (the “**Secured Account**”). Payments out of the Secured Account are controlled by an independent security trustee and can only be made in accordance with the payment structure detailed in the remainder of this section.
- 3.4 The Offer is open for approximately 15 weeks from Tuesday 15 October 2024 until the Offer Closing Date. Unitholders who wish to participate must provide the information and documents referred to in paragraphs 5.3-5.4 below via the Offer Website by the Offer Closing Date. The Offer as described in this document does not allow for late application for participation in the Offer by Unitholders.
- 3.5 Unitholders who wish to participate in the Offer should not transfer their Units to any third party after 15 October 2024, the date of this note.
- 3.6 Custodian banks will be required to complete and submit the ‘Holding Information Form’ described in paragraph 5.6 below in respect of any Unitholders who choose to participate in the Offer (the “**Holding Information Form**”). The Holding Information Form must be submitted no later than two weeks after the Offer Closing Date.
- 3.7 The undertakings of H2O AM LLP to repurchase the Units and those of the Unitholders to waive their rights are conditional upon the provision by the Unitholders (directly or if necessary via a duly authorised representative) and by the custodian banks of the information requested, and the confirmation by the Information Agent, on the basis of the information and documents received, that the Unitholders accepting the Offer:
- have provided (either directly or if necessary via their duly authorised representative) the information required under the terms of the Settlement Agreement and authorised their custodian banks to transfer their Units; and
  - are not subject to international sanctions and asset freezes, notably imposed by the European Union, the United States or the United Kingdom (to the extent applicable).
- 3.8 Subject to these conditions being fulfilled, the H2O AM Group is targeting payments out to Unitholders who participate in the Offer during February 2025, and in any event by 31 March 2025 at the latest.

#### *The Offer payments*

- 3.9 The Offer will consist of an offer for a total of €250 million to repurchase all existing Units from Unitholders as part of a settlement agreement.
- 3.10 The Offer payments to be made to Unitholders will depend on which SP Fund they hold Units in, the number of Units they hold, participation in the Offer and the applicable exchange rates. This section (i.e. paragraphs 3.11-3.19 below) provides a summary of the calculation of the payments to be made under the Offer, i.e. the Transfer Price that Unitholders will



receive for entering into the Settlement Agreement. Unitholders should refer to the detailed methodology set out in Appendix 1.B of the Settlement Agreement available here: <https://h2o.is.kroll.com/#case1> for a full explanation of the calculation.

- 3.11** Unitholders can use the ‘Transfer Price Simulator’ here <https://forms.kroll.com/orbeon/fr/is/h2o-transfer-price-simulator/new?form-version=1> to estimate the payout they are likely to receive for their Units, subject to the Participation Rate in the Offer and the Applicable Exchange Rate.
- 3.12** The minimum price per unit Unitholders will get (subject to the Applicable Exchange Rate) is also available in Appendix 1.A of the Settlement Agreement, found here: <https://h2o.is.kroll.com/#case1>
- 3.13** The amount available for all Unitholders under the terms of the Offer will be calculated based on a total amount between €170 million and €187.5 million (the “**Offer Amount**”), with Participating Unitholders receiving an additional uplift between €62.5 million and €80 million, as explained further below.
- 3.14** The Offer Amount will depend on the level of participation in the Offer. This will be calculated for each SP Fund separately (as described in the detailed methodology) but for simplicity, this is shown in Table 1 below assuming equal participation in each SP Fund.

**Table 1: Offer Amount and Uplift Amount**

Participation Rate	Offer Amount	Uplift Amount (i.e. balance for Participating Unitholders)
Above 75%	€170 million	€80 million
51-75%	€187.5 million less €0.7 million for each percentage point increase in participation from 51%	€62.5 million plus €0.7 million for each percentage point increase in participation from 51%
Up to 50%	€187.5 million	€62.5 million

- 3.15** To illustrate this further by way of examples:
- If 45% of Unitholders choose to participate in the Offer, those Participating Unitholders will share 45% of the Offer Amount denoted in row 3/column 2 of Table 1 above (i.e. €84.375 million) and 100% of the Uplift Amount<sup>3</sup> denoted in row 3/column 3 of Table 1 above (i.e. €62.5 million). Therefore, the Participating Unitholders representing 45% of the Units will share €146.875 million (i.e. 58.75% of the €250M Secured Sum).
  - If 66% of Unitholders choose to participate in the Offer, those Participating Unitholders will share 66% of the Offer Amount denoted in row 2/column 2 of Table 1 above (i.e. €116.358 million) and 100% of the Uplift Amount denoted in row 2/column 3 of Table 1 above (i.e. €73.7 million). Therefore, Participating Unitholders representing 66% of the Units will share €190.058 million (i.e. 76.02% of the €250M Secured Sum).
  - If 80% of Unitholders choose to participate in the Offer, the Participating Unitholders will share 80% of the Offer Amount (i.e. €136 million) denoted in row 1/column 2 and

<sup>3</sup> See definition at paragraph 3.18 below.

100% of the Uplift Amount (i.e. €80 million) denoted in row 1/column 3. Therefore, Participating Unitholders representing 80% of the Units will share €216 million (86.40% of the €250M Secured Sum).

- 3.16** For the purposes of calculating the amounts to be paid to Participating Unitholders, the €250M Secured Sum is allocated between the SP Funds<sup>4</sup> so that each Unitholder would achieve a minimum of 87% recovery of the value at the time the Initial Funds were suspended, taking into account the distributions made as of 30 September 2024 and assuming:
- a participation rate in the Offer of 100% across all SP Funds; and
  - that all Unitholders sold their Mirror Funds on 14 October 2020.
- 3.17** Based on this theoretical allocation, the amount payable to each Participating Unitholder from the Offer Amount will be determined by the value of Units held by the Unitholder in each SP Fund as a proportion of the total value of all Units in that SP Fund.
- 3.18** In addition, Unitholders who choose to participate in the Offer will also receive an additional sum over and above their share of the Offer Amount, based on the balance of the €250M Secured Sum after deduction of the Offer Amount. This balance (the “**Uplift Amount**”) will be between €62.5 million and €80 million depending on participation levels, as shown in Table 1 above. The Uplift Amount will be shared between Unitholders who participate in the Offer only, in proportion to the amount payable from the Offer Amount, subject to the operation of a double cap applicable when certain recovery rate thresholds are crossed, to promote fair distribution of the Uplift Amount amongst all Participating Unitholders. If the Uplift Amount allocated to a given SP Fund leads to a recovery rate above 94.5%, this Uplift Amount will be reduced and the amount resulting from this reduction will be redistributed to the Uplift Amount allocated for each SP Fund (including the SP Fund in respect of which the cap has been reached). If, after this redistribution, the recovery rate for any SP Fund exceeds 100%, the Uplift Amount for such SP Fund will be reduced so that the recovery rate is effectively capped at 100%. Any cash resulting from this further reduction will be reallocated to non-participating Unitholders.
- 3.19** By way of illustration, we set out below indicative recovery rates for the R Unit class in each SP Fund that Unitholders accepting the Offer might expect to achieve as a result of participating in the Offer, taking into account the two distributions already paid but not including any further reimbursement or recoveries from the AMF pecuniary sanction and assuming Unitholders sold their units in the Mirror Funds on 14 October 2020. As explained above, the recovery rates actually received will vary depending on participation in the Offer, the applicable exchange rates and the date on which the Unitholders sold their units in the Mirror Funds. The figures in the table below assume 100% participation in the Offer.

**Table 2: a Unitholder who held €100 in R shares on 28 August 2020 and sold their Mirror Funds when they opened on 14 October 2020 will recover 87% to 93% of the value of their investment at the date the Initial Funds were suspended, depending on the Initial Fund they were invested in.**

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<sup>4</sup> It is understood that these sums are not paid to the SP Funds but to their Unitholders, following the mechanisms provided for in the context of the Offer. This wording is used for the sake of simplicity. The amount of €250 million will not be paid to the SP Funds.

Funds	ISIN		% recovery *
	Mirror Fund	SP Fund	
H2O Adagio R EUR	FR0013393188	FR0013535077	93.5%
H2O Moderato R EUR	FR0013393295	FR0013535176	89.4%
H2O Allegro R EUR	FR0013393220	FR0013535655	87.0%
H2O MultiBonds R EUR	FR0013393329	FR0013536109	89.7%
H2O MultiStrategies R EUR	FR0010923383	FR0013535408	87.0%
H2O MultiEquities R EUR	FR0011008762	FR0013535598	87.0%
H2O Vivace R EUR	FR0011015478	FR0013535499	87.0%

\*including acceptance of the Offer and the two reimbursements of the SP Funds, without assuming any further reimbursement nor any funds recovered from the AMF pecuniary sanction already paid.

#### *Subsequent payments to Participating Unitholders*

- 3.20** H2O AM LLP has committed to passing on to Participating Unitholders any monies arising from realisation of the assets held by the SP Funds, after their Units have been sold to H2O AM LLP. Participating Unitholders will therefore receive any future distributions of any monies arising from realisation of the assets held by the SP Funds that would otherwise have been due to H2O AM LLP as the purchaser of the Units.
- 3.21** Any monies that may be recovered by H2O AM LLP (following the outcome of the appeal before the French *Conseil d'Etat*) from the sum of €75 million that has previously been imposed on H2O AM LLP as a pecuniary sanction will be allocated to each SP Fund in accordance with the estimated value of that SP Fund on 14 October 2020 relative to the total estimated value of all SP Funds on that date. Participating Unitholders will receive a share of the amount received by the SP Funds in proportion to the value of the Units they sold in each SP Fund.

#### *What happens to Unitholders who do not participate*

- 3.22** Those Unitholders who choose not to participate in the Offer will retain their existing Units in the SP Funds and the legal rights associated with ownership of the Units. They will therefore retain their right to receive any future distributions of any monies arising from realisation of the assets held by the SP Funds.
- 3.23** Unitholders who choose not to participate and retain their Units will receive a share of any monies that may be recovered (following the outcome of the appeal before the French *Conseil d'Etat*) from the sum previously paid by H2O AM LLP as a pecuniary sanction.
- 3.24** Any monies held in the Secured Account following completion of the Offer payments will be retained for payment of any amounts owed should any court order or settlement be reached in favour of Unitholders who have chosen not to participate in the Offer.
- 3.25** Any monies remaining in the Secured Account on 31 January 2031 (if any) will be distributed thereafter to those Unitholders who have chosen not to participate in the Offer (please see paragraph 4.10 below for further detail).
- 3.26** In order to benefit from payments that may become due after any winding up of the SP Funds, Unitholders who choose not to participate will be required to provide certain information to H2O AM LLP upon request in due course.
- 3.27** For the avoidance of doubt, by definition, non-participating Unitholders will not benefit from the earlier timeframe for payment or from any share of the Uplift Amount (amounting to between €62.5 million and €80 million in total).

## **4 Things to consider when deciding whether to participate**

**4.1** This section explains the advantages of the Offer and provides notice of the possible disadvantages or risks inherent in participating (by accepting the Settlement Agreement) that H2O AM LLP has identified, and explains why H2O AM LLP considers the Offer to represent the best outcome for Unitholders.

**4.2** This document does not constitute any investment advice, recommendation, financial promotion or any other investment service, and the decision to participate should be taken by each Unitholder on the basis of their own circumstances and having taken any advice they consider to be appropriate.

### *Advantages of the Offer*

**4.3** The H2O AM Group has secured the highest funding possible having regard to its financial position to support the Offer, so as to maximise the payout that can be made to Unitholders. The payout is significantly higher than H2O AM LLP could return to investors acting on its own, without the voluntary support of the H2O AM Group.

**4.4** The €250M Secured Sum is payable in addition to any monies that may be realised in future from the assets held within the SP Funds: securing early payment does not reduce Unitholders' ability to benefit from future payments by the SP Funds.

**4.5** H2O AM LLP is committed to make the Offer payments to Participating Unitholders by 31 March 2025 at the latest, though it may take some time for cash to be received into the Participating Unitholder's account. Participating in the Offer thereby secures the earliest possible exit from the SP Funds.

**4.6** Participating Unitholders will still be entitled to a share of: (i) any monies arising from realisation of the assets held in the SP Funds that would ordinarily pass to H2O AM LLP after the Units were sold to it, and (ii) any monies that may be recovered from the sum of €75 million paid as a pecuniary sanction by H2O AM LLP.

**4.7** While Participating Unitholders will be required to waive their rights to bring claims against H2O AM LLP and third parties in relation to the SP Funds and/or the Investments, the Offer enables Unitholders to receive an enhanced share of the €250M Secured Sum without incurring the costs, delay or risks inherent in litigation.

**4.8** The Offer will be made to all Unitholders and the Offer Amount will be shared amongst SP Funds to provide a minimum level of recovery to all Unitholders, with the aim of achieving fairness for all Unitholders.

**4.9** Participation in the Offer requires submission of the information and documents outlined in paragraphs 5.3-5.4 below but H2O AM LLP does not require any other action on the part of Unitholders to obtain their share of the Offer Amount.

**4.10** Part of the Offer Amount will be left for the benefit of non-participating Unitholders, corresponding to the undistributed balance of the €250M Secured Sum (as determined at completion of the Offer). It may be used after the Offer by H2O AM LLP to pay any sum due to any non-participating Unitholders as a result of a court order or settlement before 31 January 2031. After that date, the entirety of the remaining cash (if any) in the Secured Account will be redistributed to non-participating Unitholders (provided, in case the SP Funds are wound up before 31 January 2031, the Unitholders on the date of the winding up have previously made themselves known in response to a request which may be made in due course). Participating in the Offer is therefore the only certain route to receiving a share of the €250M Secured Sum.

*Possible disadvantages of participating in the Offer*

- 4.11** Participating Unitholders will give up their rights to bring or continue claims against H2O AM LLP and third parties in relation to the SP Funds and/or the Investments.
- 4.12** A minority of Unitholders have commenced legal action against companies within the H2O AM Group and certain third parties in respect of the Investments and the SP Funds, claiming amounts that exceed the €250M Secured Sum. H2O AM LLP will continue to challenge the claims brought against it in relation to the SP Funds and/or the Investments.
- 4.13** The full text of the waiver is set out below and can be found at paragraph 2.2.1 of the Settlement Agreement at: <https://h2o.is.kroll.com/#case1>

*The Participating Unitholder irrevocably waives its right to make, directly or indirectly, any claim or legal action, including any claim for damages, in relation to, directly or indirectly,*

- *(a) the SP Funds, and/or*
- *(b) Investments made by any H2O Fund,*

*including any claim alleging any possible fault or possible breach of laws and regulations applicable to the management or distribution of the H2O Funds in relation to the Investments made by any H2O Fund and the monitoring of the said Investments, and any possible failure by any entity of the H2O group and/or any other entity referred to below (and for each entity of the group, their direct or indirect shareholders and any individual) of their alleged duties in relation to (a) and (b),*

*against any parties, such as, but not limited to, any entity of the H2O group, any entity of the NIM group, CACEIS group and KPMG group, any individual such as any director, officer, employee of these entities (current or former), any affiliate, any third party involved in the distribution of the H2O Funds, any other person who may, after being sued by a Unitholder, intend to initiate an action against the latter, or any other third party.*

*The Participating Unitholder undertakes to withdraw from any pending legal action brought by it against any of the abovementioned entities or persons (including, without limitation, any entity of the H2O group, BPCE, Natixis and NIM, their directors, officers and affiliates) in respect of the facts described in this Article 2.2.1.*

*If the Participating Unitholder is a party to one of the Civil Proceedings, it undertakes to withdraw from it (by withdrawing proceedings and claim, or désistement d'instance et d'action) at the latest on expiry of a period of 21 business days<sup>5</sup> from payment of the Transfer Price.*

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<sup>5</sup> A "business day" referring to any day of the week, except Saturdays, Sundays and legal holiday (*jour férié*) in France.

## 5 Arrangements for participating

- 5.1 Unitholders who wish to participate in the Offer and sell their Units must provide the information and documents specified below to the Information Agent via the Offer Website, by the Offer Closing Date, 24 January 2025. Unitholders are encouraged to take action well ahead of the Offer Closing Date to ensure this deadline is met.

*Information and documents required to participate in the Offer*

- 5.2 In order to participate, Unitholders must provide certain documents and information to the Information Agent by 5pm CET on the Offer Closing Date. As set out below, some of the information required should be submitted by the Unitholder (directly or if necessary via their duly authorised representative), and other information must be submitted by the custodian bank on the Unitholder's behalf.

- 5.3 The Unitholder (or their duly authorised representative) must complete the Unitholder Online Participation Form available here <https://forms.kroll.com/orbeon/fr/is/h2o-participation-form/new> which requires:

- 5.3.1 a duly executed version of the "Acceptance of the Settlement Agreement" that can be found at <https://h2o.is.kroll.com/#case1> ; and
- 5.3.2 the details required to enable payments to be made, including personal information to support the Information Agent's checking and screening processes and to enable subsequent payments to be made directly to Unitholders.

- 5.4 Submission of this form will generate a unique instruction reference ("UIR") which the Unitholder must provide to the relevant custodian bank, directly or through an intermediary such as a distributor/adviser or bank, in time for this to be included within the Holding Information Form described at paragraph 5.6 below. The Unitholder may be required by their custodian or intermediary to provide additional information to assist them with identification of the Unitholder's holdings. The relevant custodian bank must complete the Holding Information Form by 5pm CET on Friday 7 February 2025.

- 5.5 Should the Information Agent identify any gaps or questions on the information or documents provided by the Unitholder, the Information Agent may contact the Unitholder on the email address supplied by the Unitholder, provided that the first submission of the requested documents and information has been made by the Unitholder prior to 5pm CET on the Offer Closing Date. The Information Agent may ask the Unitholder to re-submit the relevant information / documents. However, given the potential volume of verifications to be conducted, the Information Agent cannot commit to contacting all Participating Unitholders and it is solely the responsibility of the Participating Unitholder to ensure that the information and documents submitted to the Information Agent satisfy the requirements to participate in the Offer.

**For the avoidance of doubt, any information provided by the Unitholder's custodian bank without the corresponding UIR will be disregarded.**

- 5.6 The custodian bank must submit the information regarding the Units held requested in the Holding Information Form that can be found at Schedule 1 of this note. By participating in the Offer and providing the UIR to their custodian bank (directly or via an intermediary), Unitholders authorise their respective custodian bank to do the following:

- 5.6.1 to block such Units and maintain such Units blocked from the date of the relevant Holding Information Form provided by the custodian bank until the settlement date of the Offer (inclusive);

- 5.6.2 to process the relevant debit of the applicable Units on the settlement date of the Offer; and
- 5.6.3 to credit the cash proceeds on the settlement date of the Offer, in accordance with the Offer.

*Guidance for Insurer Unitholders*

- 5.7 Where Units are held by insurers for the benefit of individual policyholders (“**Insurer Unitholders**”) as is the case of French unit-linked insurance policies, the Insurer Unitholders may participate partially in the Offer provided the Insurer Unitholders agree to provide the necessary information to allow H2O AM LLP to exercise its rights under the Settlement Agreement and complete the documentation accordingly, as set out in further detail in Article 2 of the Settlement Agreement.

*Offer processing and payment*

- 5.8 The custodian banks must submit the completed Holding Information Form no more than two weeks after the Offer Closing Date. Following that, the Information Agent will aim to complete the processing of information received within four weeks. This will include matching of the information supplied by Unitholders against the information received via custodian banks, necessary screening, and calculation of the amounts due to Participating Unitholders.
- 5.9 Once processing is complete, the Information Agent will issue an email confirmation titled “*Individual Notification on the Offer*” to each Unitholder who has applied to participate in the Offer confirming whether or not they have satisfied the conditions for participation referred to at paragraph 3.7 above. This will be sent by the Information Agent no later than 5 business days before the Publication of Final Offer Results (as defined below).
- 5.10 In addition, H2O AM LLP will publish on the Offer Website a statement setting out the results of the Offer (the “**Publication of Final Offer Results**”), including the participation rate for each SP Fund and confirmation of the date on which settlement will take place.
- 5.11 Payments will then be made to Unitholders who have validly participated.

*Subsequent payments*

- 5.12 As set out in paragraphs 3.20-3.21 above, H2O AM LLP has agreed to return to Participating Unitholders (i) any monies arising from realisation of the assets held in the SP Funds that would ordinarily pass to H2O AM LLP after the Units were sold to it, and (ii) any monies that may be recovered from the sum of €75 million paid as a pecuniary sanction imposed by the AMF.
- 5.13 Any such payments will be made by cheque issued to Unitholders at the address supplied by the Unitholder on the *Unitholder Online Participation Form*. While the timing remains uncertain, H2O AM LLP anticipates that any such payments will be made in the course of 2025 or 2026. The Participating Unitholder undertakes to notify H2O AM LLP as soon as possible of any change of address subsequent to their submission of the *Unitholder Online Participation Form* on the Offer Website by e-mail to the following address: [h2o-identification@is.kroll.com](mailto:h2o-identification@is.kroll.com)

## SCHEDULE 1 – HOLDING INFORMATION FORM

### ONLY TO BE COMPLETED BY EUROCLEAR FRANCE DIRECT PARTICIPANTS

**THIS SCHEDULE IS NOT FOR PARTICIPATING UNITHOLDERS TO COMPLETE. THE PARTICIPATING UNITHOLDERS MUST PROVIDE THE NECESSARY UNIQUE INSTRUCTION REFERENCES TO ITS CUSTODIAN BANK (DIRECTLY OR THROUGH AN INTERMEDIARY) WHO MUST IN TURN PROVIDE IT TO THE ULTIMATE EUROCLEAR FRANCE DIRECT PARTICIPANT**

To: **The Information Agent**

Kroll Issuer Services Limited

**Website:** <https://h2o.is.kroll.com>

**Email:** h2o@is.kroll.com

**Attention:** h2o Team

Dear Sirs,

### **H2O AM LLP – HOLDING INFORMATION FORM TO PARTICIPATE IN THE OFFER TO UNITHOLDERS**

We refer to the Explanatory Note on the Offer to Unitholders in certain H2O funds dated 15 October 2024 (the “**Explanatory Note**”). Terms used but not otherwise defined in this Holding Information Form shall have the meaning given to them in the Explanatory Note.

This Holding Information Form is provided in connection with the Offer, as described in the Explanatory Note, implemented subsequent to an agreement with the UK Financial Conduct Authority published on 7 August 2024.

I, the Euroclear France direct participant, confirm and/or declare the principal amount of SP Funds blocked on or before the date of submission of this form is as follows:

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We attach a book entry certificate evidencing the principal amount of the SP Funds blocked in our books.

#### **Account information**

The Euroclear France participant on behalf of the Unitholders by whom they are requested to submit information hereby provides the following information:



Euroclear France direct participant BIC Code:	
Securities account name:	
Securities account number:	
CIF / NIF / BIC Code:	
Own account or 3rd party account:	
Contact name of Euroclear France account holder:	
Contact number of Euroclear France account holder:	
Contact email of Euroclear France account holder:	

The spreadsheet attached to the submitted Holding Information Form is a list detailing per Participating Unitholder: the ISIN codes of the SP Funds, the number of Units held in each of the SP Funds and the unique instruction reference (UIR) provided to the Participating Unitholder by the Information Agent in response to their submission of the *Unitholder Online Participation Form* on the Website Offer.

The book entry certificate attached to the submitted Holding Information Form accurately reflects the aggregate amount of the SP Funds held as at the date of the Explanatory Note (the “**Reference Date**”) and blocked by the Euroclear France direct participant from the time of the submission of the Holding Information Form until the settlement of the Offer.

The Euroclear France direct participant confirms that:

- the Units captured by the Holding Information Form were held by the relevant Participating Unitholder on the Reference Date; and
- the Units captured by the Holding Information Form will be blocked from the date the Holding Information Form is submitted until the settlement of the Offer.

### **Settlement**

Settlement will take place via bilateral trades of the Units against payment.

The Information Agent will liaise with the Euroclear France direct participant three business days prior to the anticipated settlement date (as instructed by H2O AM LLP) to confirm all the relevant trade details (ISIN, amount of Units accepted, cash amount payable, trade and value date, counterparty details).

Any queries related to the settlement must be directed to the Information Agent via email to [h2o@is.kroll.com](mailto:h2o@is.kroll.com).

**Euroclear France direct participant name (including legal form):**

**Euroclear France direct participant account number:**

**Euroclear France direct participant contact number:**

**Euroclear France direct participant contact email:**

Signed in \_\_\_\_\_, on \_\_\_\_\_

Signature \_\_\_\_\_

Surname, first name, address, capacity<sup>6</sup>

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This form must be sent with a book entry certificate and the abovementioned spreadsheet. The form should be received by Kroll Issuer Services Limited no later than **5pm CET on Friday 7 February 2025** by email to [h2o@is.kroll.com](mailto:h2o@is.kroll.com).

Any form received after such date will not be taken into account.

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<sup>6</sup> To be signed ONLY by the Euroclear France Direct Participant.