

15/10/2024

**INFORMATION LETTER FOR UNITHOLDERS OF THE SIDE-POCKET FUND: H2O MULTIBONDS SP**

<b>ISIN codes</b>		
HCHF-R (C) unit: FR0013535911	HUSD-I (C) unit: FR0013536026	SREUR (C) unit: FR0013536109
IUSD (C) unit: FR0013535937	RUSD (C) unit: FR0013536034	HSGD-SR (C) unit: FR0013536117
REUR (C) unit: FR0013535952	REUR (C/D) unit: FR0013536042	HUSD-SR (C) unit: FR0013536125
IEUR (C) unit: FR0013535960	HSGD-R (C) unit: FR0013536067	HCHF-SR (C) unit: FR0013536133
RSGD (C) unit: FR0013535978	HSGD-I (C) unit: FR0013536075	SREUR (C/D) unit: FR0013536141
ISGD (C) unit: FR0013535994	NEUR (C) unit: FR0013536083	HCHF-I (C) unit: FR0013536158
HUSD-R (C) unit: FR0013536000	HCHF-N (C) unit: FR0013536091	

Dear Sir or Madam,

You are unitholders of the H2O MULTIBONDS SP Fund.

**WE WISH TO REMIND YOU THAT:**

On 5 October 2020, a portion (side pocket) of H2O MULTIBONDS' assets was side-pocketed to separate the management of Global Macro strategies from that of "private" instruments, as follows:

- all Global Macro strategies were transferred to a new UCITS named H2O MULTIBONDS FCP;
- after the Global Macro strategies were transferred to the H2O MULTIBONDS FCP Fund, which had previously been authorised as a UCITS by the French *Autorité des marchés financiers* (AMF), H2O MULTIBONDS was renamed H2O MULTIBONDS SP. Since that date, it has only held cash and instruments that no longer correspond to Global Macro strategies. It has been put into liquidation and is being managed in run-off, in accordance with the regulations in force. The number of units in H2O MULTIBONDS SP was determined at the time of the split and will remain unchanged until it is fully liquidated (no new units will be issued, no units will be redeemed and existing units are being progressively amortised).

This procedure for side-pocketing the "private" instruments of the H2O MULTIBONDS SP Fund (SIDE-POCKET FUND) was applied in accordance with Article L. 214-8-7 of the *Code monétaire et financier* (French Monetary and Financial Code).

On 30 December 2022, the Enforcement Committee of the AMF imposed a pecuniary sanction of €75M on H2O AM LLP (the previous management company of your SIDE-POCKET FUND) with respect to investments in “private” instruments made by H2O MULTIBONDS and certain other UCITS managed by H2O AM LLP.

In January 2023, an initial reimbursement of the SIDE-POCKET FUND took place. In March 2024, a second reimbursement was made.

In August 2024, an offer allowing all unitholders to sell units from the SIDE-POCKET FUND was announced. This offer (the “Offer”) follows an agreement entered into by H2O AM LLP with its supervisory authority, the Financial Conduct Authority (“FCA”), the terms of which have been shared with the AMF.

### **Offer to purchase SIDE-POCKET FUND units and suspension of transfers**

As you were a unitholder when the Offer was launched, it will be possible for you to sell your SIDE-POCKET FUND units to H2O AM LLP between 15/10/2024 and 24/01/2025, as part of a transaction involving you waiving certain rights (pursuant to the terms and conditions of the Offer by H2O AM LLP).

From the moment you accept the Offer, you will no longer be able to transfer your SIDE-POCKET FUND units except to complete the sale of your units to H2O AM LLP.

Furthermore, to enable the Offer to proceed smoothly, the transfer of your SIDE-POCKET FUND units may be suspended by your financial intermediary until the closing date for the Offer.

### **How to participate in the Offer**

Please see the dedicated website for more information about the Offer and to participate: <https://h2o.is.kroll.com>.

In particular, this website includes an explanatory note and a list of frequently asked questions (“FAQs”). The conditions and documents/information to be provided (including the settlement agreement that you will have to accept and sign) to participate in the Offer will be specified and you will be able to access the portal to submit your application for participation.

If you have any questions about the Offer, please refer to the explanatory note and the FAQs. If these do not answer your questions, you can write to [h2o-identification@is.kroll.com](mailto:h2o-identification@is.kroll.com).

### **Special scenario for SIDE-POCKET FUND units held through a unit-linked life insurance policy governed by French law**

In accordance with life insurance mechanisms and legal precedent, the insurer owns the underlying assets of the units for the duration of the contract. As such, participation in the Offer is at the insurer’s discretion. Under Item 1 of Article L. 131-1 of the *Code des Assurances* (French Insurance Code), in the event of partial redemption or termination of the contract, the insurer must offer to return to the insured the SIDE-POCKET FUND units allocated to the latter, under the contract. This system enables any insured parties who wish to become direct unitholders in the SIDE-POCKET

FUND to do so (and enjoy all rights associated with this status). This transfer will require action by the insured.

We therefore invite the unitholders concerned to inform their clients of the terms for and consequences of the transfer of SIDE-POCKET FUND units.

#### **How much cash will you receive if you decide to sell your SIDE-POCKET FUND units?**

The amount paid to you by H2O AM LLP under the Offer (“Transfer Price”) for the redemption of your units will depend on several factors:

- The ISIN code of the units held;
- The number of units held;
- The overall participation rate in the Offer; and
- The applicable exchange rate on the date on which the results of the Offer are published.

If you accept the Offer, and the checks set out in the settlement agreement are satisfactory, you are guaranteed to receive a minimum amount (part of which will come from the amount reserved for unitholders participating in the Offer) and you will receive payment earlier than non-participating unitholders.

Below you will find the minimum amount that will be paid as the Transfer Price, the amounts already reimbursed and the last estimated value (as of 30/08/2024)<sup>1</sup>, in the currency of the unit:

UNIT	ISIN	ESTIMATED VALUE AS AT 30/08/2024	MINIMUM TRANSFER PRICE PER UNIT SUBJECT TO THE APPLICABLE EXCHANGE RATE <sup>2</sup>	AMOUNT REIMBURSED IN JANUARY 2023 AND MARCH 2024
HCHF-R (C)	FR0013535911	4.94	6.89	14.68
IUSD (C)	FR0013535937	2010.51	5358.23	5808.78
REUR (C)	FR0013535952	4.47	6.78	13.18
IEUR (C)	FR0013535960	2258.51	3388.4	6782.22
RSGD (C)	FR0013535978	2.39	7.3	6.97
ISGD (C)	FR0013535994	400	1807.31	1661.07
HUSD-R (C)	FR0013536000	3.27	3.92	9.35
HUSD-I (C)	FR0013536026	1510.86	1812.68	4412.24
RUSD (C)	FR0013536034	2.25	6.13	6.34

<sup>1</sup> Subject to the exchange rate applicable on the date on which the results of the Offer are published.

<sup>2</sup> **NB: The amounts presented in the table were calculated on the basis of exchange rates as at 23/09/2024. The final amounts will depend on the exchange rate in effect on the date on which the results of the Offer are published.**

REUR (C/D)	FR0013536042	1.42	2.16	4.19
HS GD-R (C)	FR0013536067	1.79	2.16	5.19
HS GD-I (C)	FR0013536075	1.21	1.45	3.54
NEUR (C)	FR0013536083	1.58	2.36	4.71
HCHF-N(C)	FR0013536091	1.79	2.53	5.41
SREUR (C)	FR0013536109	1.18	1.75	3.38
HS GD-SR (C)	FR0013536117	1.21	1.44	3.38
HUSD-SR (C)	FR0013536125	1.29	1.54	3.61
HCHF-SR (C)	FR0013536133	1.14	1.6	3.31
SREUR (C/D)	FR0013536141	0.74	1.08	2.11
HCHF-I (C)	FR0013536158	1134.91	1593.65	3457.59

It is important to note that the amount that will be paid by H2O AM LLP in respect of the sale of your units (the “Transfer Price”) is a minimum amount that could be increased by future payments because H2O AM LLP has committed to repay any other amount that H2O AM LLP may receive in respect of the SIDE-POCKET FUND units sold, after the unit sale date (e.g. amounts related to the sale of assets held by the SIDE-POCKET FUND) and any reduction in the AMF pecuniary sanction paid by H2O AM LLP<sup>3</sup>.

### **Consequences of selling your SIDE-POCKET FUND units**

You must instruct your financial intermediary to confirm your intention to sell the SIDE-POCKET FUND units.

You will no longer be a unitholder in the SIDE-POCKET FUND, but you will benefit pro rata, to the units you have sold, from any amount that may be paid to the SIDE-POCKET FUND after the sale of your SIDE-POCKET FUND units in any capacity whatsoever (sale of assets) and/or resulting from its liquidation (the date of which is as of yet unknown).

You will waive any right to legal action and/or any current legal action in respect of investments in “private” instruments made by H2O MULTIBONDS and held by the SIDE-POCKET FUND and/or in relation to the SIDE-POCKET FUND.

### **When will these changes take effect?**

The units sold will be transferred after the Offer closes and payments may be made between February 2025 and 31 March 2025.

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<sup>3</sup> In the context of the current appeal lodged before the *Conseil d’Etat* (Council of State) against the AMF Enforcement Committee decision of 30 December 2022.

Note that there may be several days between the payment date and the administrative processing of the transaction by your financial intermediaries.

### **What happens if you decide not to sell your SIDE-POCKET FUND units?**

You will not receive the minimum guaranteed payment available to unitholders participating in the Offer.

As the SIDE-POCKET FUND is in liquidation, you will keep your SIDE-POCKET FUND units for which subscriptions/redemptions will not be possible until the liquidation is complete (date as of yet unknown).

You retain all unitholder rights, in particular the right to receive any future reimbursement of the SIDE-POCKET FUND pro rata to your units, including in the event of complete liquidation, as well as any ability to bring legal action as a unitholder.

You will not be guaranteed any payment under the Offer:

- Part of the amount allocated to the Offer will be reserved for non-participating unitholders and may be used in their favour within the context of a court decision or a transaction (the “Deferred Amount”). This Deferred Amount will correspond to amounts of the Offer remaining after distribution to participating unitholders.
- Provided that the Deferred Amount has not been exhausted, non-participating unitholders will benefit from this on 31 January 2031, pro rata to the SIDE-POCKET FUND units that each holds. In this case, and in the event that the SIDE-POCKET FUND is liquidated before 31 January 2031, only known non-participating unitholders with a holding in the SIDE-POCKET FUND at the liquidation date may benefit from the Deferred Amount. To this end, prior to the effective liquidation of the SIDE-POCKET FUND, H2O AM LLP will issue a public communication to collect the relevant data from non-participating unitholders.

**Important information for investors to remember:** We wish to remind you that the SIDE-POCKET FUND is a side-pocketed fund in liquidation and that, consequently, the prospectus, KIIDs and regulations are those that were in force on the day of the side-pocketing and have not been updated since, with the exception of changes to the parties involved. However, you can obtain these documents by contacting H2O AM EUROPE directly: 39 avenue Pierre 1<sup>er</sup> de Serbie, 75008 Paris, France or on its website at: [www.h2o-am.com](http://www.h2o-am.com).

In addition, we invite you to regularly contact your adviser about your investments.

Thank you for the trust you have placed in us.