

H2O MULTISTRATEGIES

REGULATIONS

5 AUGUST 2019

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.

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

The various classes of shares 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 systematically hedged, fully or partially, as specified in the prospectus. This hedge is provided through financial instruments that reduce the impact from hedging transactions on the other categories of UCITS shares to a minimum;
- be reserved for one or a few marketing networks.

The shares may be divided, on the decision of the corporate officer of the portfolio 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 authorised representative of the management company may, at his 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 remain below this amount for thirty days, the management company shall take the necessary measures to dissolve the Fund or carry out one of the transactions mentioned under Article 411-16 of the Fund Regulations (change in the UCITS).

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 shall comply 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 net asset value calculation date.

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 only the written agreement signed by the redeeming shareholder must be obtained by the UCITS or the management company. 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 keeper 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 the securities, stocks or contracts eligible for the UCITS; contributions and redemptions in kind are valued in accordance with the valuation rules applicable for 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 exclusively on behalf of the 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 a 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 for trading 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 - Depositary

The depositary 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 depositary shall inform the AMF.

Article 7 – Statutory Auditor

A statutory auditor is appointed by the governance body of the management company for a term of six financial years, following approval by the Autorité des marchés financiers.

He shall certify the compliance and accuracy of the accounts.

The statutory auditor is required to notify the Autorité des marchés financiers at the earliest opportunity of any fact or decision concerning the UCITS of which he has become aware in the course of fulfilling his duties that:

1. constitutes a breach of the legislation or regulations applicable to the Fund and which may have a significant impact on its financial position, performance or assets;
2. affects the conditions or continuation of its operation;
3. entails the expression of a reservation or the refusal to certify the accounts.

The statutory auditor shall supervise the valuation of the assets and the determination of exchange ratios used in the event of a conversion, merger or split. The statutory auditor shall assess any contribution or redemption in kind under its responsibility, except in the case of redemptions in kind for an

ETF on the primary market. The statutory auditor shall verify the composition of the assets and other information before publication.

The statutory auditor's fees are determined by mutual agreement between the statutory auditor and the Board of Directors or Management Board of the portfolio management company on the basis of a work schedule indicating the duties deemed necessary.

The statutory auditor shall certify situations giving rise to the distribution of down payments.

The statutory 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.

At least biannually, the management company shall provide a schedule of the UCITS' assets under the supervision of the depositary.

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 the income generated by temporary cash holdings, minus the management fees and borrowing costs.

Distributable income consists of:

1. net income for the period plus retained earnings, plus or minus the balance of any accrued income or deferred expenses for the last financial year;
2. gains realised, net of costs, minus net capital losses incurred, net of costs, recorded during the year, plus any net gains of the same type recorded in previous years which was not subject to distribution or accumulation, plus or

minus the balance of any accruals or deferred expenses for the gains realised. The management company shall decide on the allocation of income.

The amounts outlined in point 2 above may be distributed in whole or in part.

The specific arrangements for allocating distributable income are set out 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 under its management or split the Fund into two or more 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 AMF 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 statutory auditor's report to the *Autorité des marchés financiers*.

The management company portfolio 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 assumes the functions of liquidator; if this is not feasible, the liquidator shall be designated by the courts upon the application of any interested party. To that end, it is vested with the widest powers to realise the assets, pay any creditors and distribute the available balance among the shareholders in cash or securities.

The statutory 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.