

H2O ALLEGRO

French Mutual Fund

REGULATIONS

DATED 19 February 2016

SECTION 1 – ASSETS AND SHARES

Article 1 - Co-ownership shares

Co-ownership rights shall be expressed as shares, with each share corresponding to the same proportion of the FCP's net assets (or of the sub-fund, if applicable). Each shareholder shall have co-ownership rights on the FCP's net assets in proportion to the number of shares held.

The term of the FCP is 99 years from its date of creation, unless it is dissolved early 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 prospectus for the FCP.

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 systematically hedged (fully or partially), as specified in the prospectus. This hedging is achieved using financial instruments that minimise the impact of hedging transactions on the other share classes of the UCITS;
- be restricted to one or more marketing networks.

The shares may be divided, on the decision of an authorised representative 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 authorised representative of the management company may, entirely 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. In such a case, unless the assets rise above this amount in the intervening period, the portfolio management company shall take the necessary measures to liquidate the Fund or to carry out one of the operations specified in Article 411-16 of the AMF General Regulations (UCITS transfer).

Article 3 - Issue and redemption of shares

Shares may be issued at any time at the request of shareholders based on the NAV plus, if applicable, subscription fees.

Redemptions and subscriptions shall comply with the terms and conditions stipulated in the prospectus.

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

Subscriptions must be paid in full on the NAV 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 proposed and, to this end, has seven days starting from the day of the deposit of such

securities to communicate its decision. If accepted, the securities contributed shall be valued according to the rules stipulated in Article 4 and the subscription shall be made on the basis of the first NAV following the acceptance of the securities concerned.

Redemptions are effected exclusively in cash, except in the case of the Fund's liquidation when the shareholders have indicated that they agree to a reimbursement in securities. Settlement shall be made by the custodian within a maximum period of five days following the deadline for valuation of the shares.

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 paragraph 3 of Article L.214-8-7 of the Monetary and Financial Code, the FCP'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 FCP (or sub-fund, where applicable) are below the amount specified in the regulations, no redemption of shares may be effected (in the relevant sub-fund, where applicable).

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

The FCP may cease to issue shares pursuant to 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 or units issued, attainment of a maximum asset amount or the expiry of a specified subscription period. These objective situations are defined in the prospectus for the UCITS.

Article 4 - Calculation of the NAV

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; these 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 shall in all circumstances act exclusively on behalf of the the shareholders and has the sole right to exercise the voting rights attached to the securities held in the FCP.

Article 5 bis - Operating rules

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

Article 5 ter – Admission to trading on a regulated market and/or multilateral trading facility

Units may be listed on a regulated market and/or multilateral trading facility in accordance with the regulations in force. In instances where the Fund has units listed on a regulated market and which have an index-based management objective, the Fund must have implemented measures to ensure that the price of its units does not deviate significantly from its net asset value.

Article 6 - Depositary

The depositary carries out the duties for which it is responsible under the laws and regulations in force, and those contractually entrusted to it by the management company. Above all, it must ensure that the decisions taken by the portfolio management company are legitimate. Where applicable, it must take any protective measures it deems necessary. In the event of a dispute with the management company, it shall inform the Autorité des marchés financiers.

Article 7 - Auditor

An auditor is appointed by the governing body of the management company for a term of six years, following approval by the Autorité des marchés financiers.

The auditor shall certify the accuracy and fairness of the accounts. The auditor's mandate may be renewed.

The auditor shall notify the Autorité des marchés financiers promptly of any fact or decision regarding the UCITS of which he or she becomes aware in the course of his or her work that is liable to:

- 1) Constitute a material breach of any laws or regulations that apply to the Fund and that may have a significant impact on its financial position, income or assets;
- 2) Adversely affect the operating conditions or the continued operation of the Fund;
- 3) Lead to the expression of reservations or refusal to certify the financial statements

The 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 auditor shall assess any contribution in kind and shall verify the composition of the assets and other information before publication.

The auditor's fees are determined by mutual agreement between the auditor and the management company's executive board or board of directors on the basis of a work schedule indicating the duties deemed necessary.

The auditor shall verify situations giving rise to 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 FCP (in respect of each sub-fund, where applicable) during the past financial year.

The management company shall produce a list of the FCP's assets at least twice a year under the supervision of the depositary.

The management company shall make these documents available to shareholders no later than four months after the end of the financial year 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 made available to them at the offices of the management company.

SECTION 3 - ALLOCATION OF DISTRIBUTABLE INCOME

Article 9 – Procedures for allocating 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 (and/or each sub-fund), plus income generated by temporary cash holdings, less management fees and borrowing costs.

The distributable sums consist of:

1. The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.
2. Gains incurred, net of costs, minus 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 amounts outlined at 1. and 2. above may be distributed in whole or in part, independently of one another.

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 under its management or split the Fund into two or more mutual funds which it will manage.

Such mergers or splits may only be carried out one month 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 (or the sub-fund's, where applicable) 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 (or sub-fund, where applicable).

- The management company may dissolve the Fund early (or the sub-fund, where applicable); 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 (or the sub-fund, where applicable) 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 FCP 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 or the depositary, with its agreement, assumes the functions of liquidator; failing that, a liquidator is appointed by the court at the request of any interested party. To that end, they are 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 auditor and the depositary shall continue to perform their duties until the liquidation process is completed.

The regulations specify how the assets will be distributed in the event of the liquidation of one or more sub-funds.

SECTION 5 - DISPUTES

Article 13 - Jurisdiction - Election of domicile

Any disputes relating to the FCP 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.