

H2O MODERATO

REGULATIONS 5 AUGUST 2019

SECTION 1 - ASSETS AND SHARES

Article 1 – Co-ownership shares

Co-owner rights shall be expressed as shares, with each share representing an equal fraction of the Fund's assets. Each shareholder has a right of co-ownership to the Fund's assets in proportion to the number of shares held.

The term of the Fund is 99 years from its launch date, unless it is dissolved early or extended as provided for in these regulations.

The features of the various share classes and their access conditions are specified in the Fund's prospectus.

The various share classes may:

- have different income allocation rules (distribution or accumulation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption charges;
- have a different nominal value;
- be systematically hedged (fully or partially) as specified in the prospectus. This hedging is provided through the use of 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, at the discretion of the 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, the value of which will always be in proportion 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 management company may, 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. If the assets remain below this amount for thirty days, the management company shall take the necessary measures to liquidate the Fund or to carry out one of the transactions 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 net asset value, plus subscription fees if applicable.

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 fully paid up on the date that the net asset value is calculated.

Subscriptions may be made in cash and/or through the contribution of financial instruments. The management company reserves the right to refuse the securities offered and, to this end, has seven days from the date of deposit to communicate its decision. If accepted, the securities provided shall be valued in accordance with the rules specified in Article 4 and the subscription shall be made on the basis of the first net asset value following acceptance of the securities in question.

Redemptions may be made in cash and/or in kind. If the redemption in kind corresponds to a representative portion of the assets in the portfolio, then only the signed written agreement of 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 issuing 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 on the first net asset value following acceptance of the securities concerned.

Redemptions shall be made by the issuing account holder no later than five days following the date on which the share is valued.

However, if, in exceptional circumstances, the redemption 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 inheritance or an *inter vivos* gift, the sale or transfer of shares between shareholders, or from shareholders 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 French 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 shareholders so dictate.

Where the net assets of the Fund are below the amount specified in the regulations, no shares may be redeemed.

Minimum subscription conditions may be applied, in accordance with the terms set out in the prospectus.

The Fund may cease, provisionally or definitively, in whole or in part, to issue shares in situations that objectively require the closure of subscriptions, such as a maximum number of shares being issued, a maximum amount of assets being reached or the expiry of a fixed subscription period, in accordance with paragraph 3 of Article L. 214-8-7 of the French Monetary and Financial Code.

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 the 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 consist of the securities, stocks or contracts eligible for the UCITS; contributions and redemptions in kind are valued in accordance with the same valuation rules as 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 – Depository

The depository 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 taken by the portfolio management company comply with the law and regulations. It must, where applicable take any precautionary measures it considers appropriate.

In the event of any dispute with the management company, the depository shall inform the AMF.

Article 7 – Statutory auditor

An auditor is appointed by the management company for a term of six years, following approval by the AMF.

The auditor certifies the accuracy and lawfulness of the accounts. The auditor's term of office may be renewed.

The statutory auditor shall notify the AMF promptly and in full of any 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 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.

It audits the composition of the assets and of the other information prior to publication.

The fees of the statutory auditor are determined by mutual agreement between the auditor and the management company on the basis of a work schedule indicating the duties deemed necessary.

The auditor shall certify the financial statements that form the basis for the payment of interim dividends.

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 Fund's management during the past financial year.

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

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 be 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 Fund's portfolio, plus income generated by temporary cash holdings, less 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. Capital gains, net of charges, minus capital losses, net of charges, realised in the current financial year, plus net capital gains of the same type recorded in previous years that have not been distributed or capitalised, 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 precise methods 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 in the Fund with another UCITS or AIF or split the Fund into two or more funds which it will manage.

Such mergers or splits may only be carried out after the holders have been duly notified. They give rise to the issue of a new certificate stating the number of shares held by each shareholder.

Article 11 - Dissolution - Extension

- If the Fund's assets remain below the amount specified in Article 2 above for 30 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 to do so and subscription and redemption orders shall no longer be accepted from that date.

- 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 expiry of the Fund's term, unless such term is extended.

The management company shall inform the AMF by post of the dissolution date and procedure adopted. It shall subsequently send the auditor's report to the AMF.

The management company may decide to extend the life of the Fund by agreement with the depositary. This decision must be taken at least three months before expiry of the Fund's term and must be communicated to shareholders and the AMF.

Article 12 - Liquidation

In the event of dissolution, the management company assumes the role of liquidator; failing that, the liquidator is appointed by the court at the request of any interested party. To that end, it is vested with the broadest powers to realise the assets, pay any creditors and distribute the available balance among the shareholders in cash or in securities.

The auditor and the depositary shall continue to perform their duties until the liquidation process has 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.