

Key investor information

This document provides you with key investor information about this UCITS. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this UCITS. You are advised to read it so you can make an informed decision about whether to invest.

H2O ADAGIO

ISIN code: FR0010923359 R(C) unit

Management Company: H2O AM LLP (BPCE Group)

OBJECTIVES AND INVESTMENT POLICY

- The UCITS' objective is to outperform the daily compounded EONIA by 0.60% per annum, over a recommended investment period of 1 to 2 years, after deduction of management fees. EONIA corresponds to the average overnight rate in the eurozone.
- The UCITS' investment policy is based on highly dynamic management that seeks to extract performance irrespective of the market environments. To this end, the management team determines its strategy in accordance with macroeconomic expectations and takes long and short positions across all international rate and currency markets, within the limits of the global risk budget allocated to the portfolio. The UCITS' performance is linked more to relative movements between markets (relative and arbitrage positions) than to the general direction taken by the markets (directional positions). Positions are taken by the management team in strict adherence to an overall risk budget: statistically and under normal market conditions, the UCITS is designed in such a way as to lose no more than 5% in a 20-day time frame, with a probability of 99%. Furthermore, the modified duration of the UCITS to interest rate movements (measurement of the relationship between price variation and rate variation) lies within a range of -2 to +2. The AMF classification of this UCITS is: Bonds and other international debt securities.
- The UCITS' portfolio covers a very broad international investment universe. The UCITS may be exposed to all currencies, bonds of any nature (for example, issued by governments or corporations, irrespective of their financial ratings) and securitisation vehicles. These exposures may be spread over all geographic regions, both in developed countries (e.g. the Eurozone, the United Kingdom, the United States and Japan) and in emerging countries.
- The Fund makes use of derivatives to expose the portfolio to the aforementioned asset classes to manage currency risk, cash and to manage the overall portfolio risk.
- The UCITS accumulates its income.
- Redemption requests are received daily by 12:30 p.m. at the latest and are executed daily.

RISK AND REWARD PROFILE



The risk and return indicator indicates the exposure of the UCITS to international interest rate and foreign currency markets as part of a flexible strategy seeking absolute performance.

- The historical data used to calculate the level of risk may not provide a reliable indication of the UCITS' future risk profile.
- The lowest category does not mean a risk-free investment.
- The risk category associated with this UCITS is not guaranteed and may change over time.

Major risks for the UCITS that are not taken into account in the benchmark:

- **Credit risk:** credit risk arises from the risk of a deterioration in the quality of an issuer and/or an issue, which may result in a decrease in the value of the security. It may also arise if an issuer included in the portfolio defaults on repayment at maturity.
- **Liquidity risk:** liquidity risk represents the price reduction that the UCITS might potentially have to accept in order to sell certain assets for which there is insufficient market demand.
- **Counterparty risk:** counterparty risk is the risk that a counterparty with which the UCITS has entered into over-the-counter contracts is unable to meet its obligations towards the UCITS.
- **Impact of management techniques, particularly Forward Financial Instruments:** The risk entailed in management techniques is the risk of losses being worsened through the use of forward financial instruments such as over-the-counter financial contracts and/or transactions involving the temporary purchase and sale of securities.

CHARGES

The charges and fees you pay are used to cover the running costs of the UCITS, including the costs of marketing and distributing units. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge	1.00%
Exit charge	None

The percentage indicated is the maximum that might be taken out of your money before it is invested.

In certain cases, investors may pay less.

Investors can obtain the actual amount of the entry and exit charges from their advisor or distributor.

Charges deducted by the UCITS over the previous financial year

Ongoing charges	0.81%
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Performance-related charges deducted by the UCITS

Performance fee	25% of the UCITS' outperformance of the benchmark, the compounded Eonia, + 0.6% per annum, i.e. 0.00% for the previous financial year.
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Ongoing charges are based on figures from the previous year ended September 2016. This figure may vary from one year to the next.

The ongoing charges do not include:

- Performance fees.
- intermediary charges except in the case of entry and/or exit charges paid by the UCITS when it buys or sells units in another collective investment scheme.

For more information on charges, investors are advised to refer to the "Charges" section of the prospectus for this UCITS, available from the website at www.h2o-am.com.

PAST PERFORMANCE



- The performance graph shown here does not constitute a reliable indication of future performance.
- Annual performance is calculated following the deduction of charges from the UCITS.
- **UCITS launch year:** 2010.
- **R(C) unit launch year:** 2010.
- **Currency:** EURO.

PRACTICAL INFORMATION

- Depository: CACEIS Bank.
- The prospectus, annual reports and latest periodic documents, as well as all other practical information for the UCITS may be obtained from the Management Company on written request to:
H2O AM LLP – 10 Old Burlington Street – London W1S 3AG, Great Britain, or to the following email address:
info@h2o-am.com.
- Information about other unit classes is available through the same procedures.
- Information about the remuneration policy is available at www.h2o-am.com.
- Taxation: Depending on your tax system, any capital gains and/or income related to the holding of units may be subject to tax. You are advised to seek information on this matter from your advisor or distributor.
- The net asset value is available from the management company at the postal address above and at www.h2o-am.com.
- H2O AM LLP may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for this UCITS.