



15/03/2024

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

ISIN codes		
EUR-R (C): FR0013535713	HGBP-IC (PRF): FR0013535754	HSGD-SR (C): FR0013535671
HUSD-R (C): FR0013535838	HUSD-I (C): FR0013535846	HUSD-SR (C): FR0013535689
HSGD-R (C): FR0013535804	HSGD-I (C): FR0013535812	HCHF-SR (C): FR0013535697
HCHF-R (C): FR0013535796	HCHF-I (C): FR0013535721	EUR-SR (C): FR0013535655
EUR-I (C): FR0013535762	EUR-N (C): FR0013535705	HGBP-I (C): FR0013535788
EUR-I (D): FR0013535747	HUSD-N (C): FR0013535739	

Dear Sir or Madam,

You are unitholders of the H2O ALLEGRO SP Fund.

**WE WOULD LIKE TO REMIND YOU THAT:**

On 8 October 2020, a portion (side pocket) of H2O ALLEGRO's assets was ring-fenced 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 that applies the same investment strategy and has the same financial and legal characteristics and the same involved parties (i.e. management company, depositary, statutory auditor, in particular). That Fund was named H2O ALLEGRO FCP;
- after the Global Macro strategies were transferred to the H2O ALLEGRO FCP Fund, which had previously been authorised as a UCITS by the French Financial Markets Authority (AMF), H2O ALLEGRO was renamed H2O ALLEGRO 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 ALLEGRO 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 amortised gradually).

This procedure for ring-fencing the "private" instruments of the H2O ALLEGRO SP Fund (Side Pocket Fund) was applied in accordance with Article L. 214-8-7 of the French Monetary and Financial Code.

In May 2021, the assets were reorganised through the issue of the First Super Senior Secured Note (FSSSN), which simplified the asset holding structure. In January 2023, a first reimbursement of the SIDE POCKET FUND took place.

**What changes are being made to your SIDE POCKET FUND?**

H2O AM is now able to distribute a second reimbursement of the SIDE POCKET FUND.

**How much cash is being distributed to your SIDE POCKET FUND?**

The SIDE POCKET FUND will distribute an amount equivalent to EUR 19,482,527.40.

The estimated values and reimbursements of the various units as at 29 February 2024 (the date on which the last estimated values were calculated) are as follows, in their respective currencies:

UNIT	ISIN	ESTIMATED VALUE	REIMBURSEMENT VALUE PER UNIT
EUR-R (C)	FR0013535713	1163.5	635.05
HUSD-R (C)	FR0013535838	835.06	455.78
HS GD-R (C)	FR0013535804	8.32	4.54
HCHF-R (C)	FR0013535796	684.42	373.57
EUR-I (C)	FR0013535762	5718.72	3,121.37
EUR-I (D)	FR0013535747	3.36	1.83
HGBP-I (C)	FR0013535788	17.89	9.76
HGBP-IC (PRF)	FR0013535754	3.95	2.16
HUSD-I (C)	FR0013535846	4026.51	2,197.73
HS GD-I (C)	FR0013535812	2019.98	1,102.54
HCHF-I (C)	FR0013535721	2863.95	1,563.18
EUR-N (C)	FR0013535705	4.45	2.43
HUSD-N (C)	FR0013535739	4.21	2.29
EUR-SR (C)	FR0013535655	3.52	1.92
HS GD-SR (C)	FR0013535671	3.53	1.92
HUSD-SR (C)	FR0013535689	3.8	2.07
HCHF-SR (C)	FR0013535697	3.17	1.72

As a reminder and as an example for the EUR-I unit, the split was carried out on the estimated value of the EUR-I unit of the SPLIT FUND, H2O Allegro (EUR 151,940.31) established on 7 October 2020:

- the estimated value of the EUR-I unit of the SIDE POCKET FUND was EUR 48,008.88.
- the estimated value of the EUR-I unit of the REPLICA FUND was EUR 103,931.43.
- the sum of the estimated values of the two units is therefore EUR 151,940.31.

#### **As at 29 February 2024:**

- the estimated value of the EUR-I unit of the SIDE POCKET FUND was EUR 5,718.72. Each EUR-I unit will be reimbursed by EUR 3,121.37. After reimbursement, the estimated value of the EUR-I unit of the SIDE POCKET FUND will decrease by the same amount. The latter will remain closed to subscriptions/redemptions.
- the value of the EUR-I unit of the REPLICA FUND was EUR 204,113.66 and is not affected by the reimbursement. It retains all Global Macro strategies. The REPLICA FUND is open to subscriptions/redemptions.

#### **How does the reimbursement work?**

The reimbursement is automatic and does not require any action on your part.

The number of units in the SIDE POCKET FUND will remain unchanged but the distribution will lead to a decrease in the estimated value of the unit by the same amount.

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

This reimbursement of the SIDE POCKET FUND is not subject to approval by the AMF and will automatically take effect on 20 March 2024, with no action required on your part. Note that there may be several days between the reimbursement and the administrative processing of the transaction by your financial intermediaries.

#### **Tax treatment of the payments made by the SIDE POCKET FUND as part of its run-off for natural persons residing in France:**

The payments made to the unitholder are deducted from the acquisition price of the SIDE POCKET FUND units (as determined on the day of the split).

The acquisition price of the SIDE POCKET FUND units will be determined by the account-keeper of each unitholder concerned, using the following formula:

Acquisition price of the units of the SPLIT FUND for the unitholder concerned x Net assets preserved in the REPLICA FUND at the time of the split

Net assets of the SPLIT FUND at the time of the split

If these payments do not exceed the acquisition price, they are not taxable.

If the total of the payments received exceeds the acquisition price, the difference between the total of these payments and the acquisition price will be considered a taxable capital gain.

If, however, following the final payment by the SIDE POCKET FUND, the total of the payments received does not exceed the acquisition price, the difference between the total of these payments and the acquisition price will be considered a capital loss.

If in doubt, we recommend that you consult your tax adviser or another tax professional.

### **How will these changes affect the profile of your investment?**

As the SIDE POCKET FUND is in liquidation, this change does not lead to a change in the investment profile:

Change to the risk/reward profile: No

Increase in the risk profile: No

Potential fee increase: No

### **Key elements for investors to remember:**

We would like to remind you that the SIDE POCKET FUND is a ring-fenced fund in liquidation and that, consequently, the prospectus, KIIDs and regulations are those that were in force on the day of the ring-fencing 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.

We want to assure you of our full commitment to finalising the disposal of the SIDE POCKET FUND assets and proceeding with future additional reimbursements.

Thank you for the trust you have placed in us.  
Yours faithfully,