

London, December 10th, 2018

Subject: Implementation of a new fee schedule for H2O Largo, H2O Adagio, H2O Moderato, H2O Allegro and H2O MultiBonds

Dear Client,

You are invested in our funds and we thank you for your trust.

Since H2O Asset Management's (H2O) creation in 2010, our assets under management have significantly increased, especially over the past two years, and are now approaching their maximum capacity level.

In order to preserve our capacity to generate performance, we conducted an in-depth review of the fee structure of the funds that have been the most impacted by the latest significant inflows, with one paramount objective: to curtail future subscriptions.

The funds impacted by these changes are: **H2O Largo, H2O Adagio, H2O Moderato, H2O Allegro and H2O MultiBonds.**

Hence, H2O have decided to introduce the following changes:

- Class I and N units: introduction of an entry fee of up to 1% paid to the management company. Entry fees will be levied by H2O according to a pre-defined schedule.
- Class R units: introduction of a 5% entry fee payable to the fund for all existing retail units. No exceptions will be permitted.
- Creation of a new Super Retail (SR) unit class with a new pricing schedule, thus increasing the cost of accessing the funds.

The entry into force of these changes will be phased in.

By the end of 2018, the funds' prospectuses will be amended to reflect:

- that the existing entry fees on I and N units will only benefit the management company;
- the creation of the SR units.

Then, as of February 1st, 2019, another prospectus update will be made to reflect the introduction of the 5% entry fee paid to the Fund for all existing R units.

Disclosure of all the above modifications will be made by way of an internet notification published on H2O's website.

Do not hesitate to contact your usual financial advisor for any additional information on this operation, as well as for any regular updates on your investments.

Yours Sincerely,



Bruno Crastes
Chief Executive Officer of H2O AM LLP