



## PRESS RELEASE

9 January 2017

### **H2O Asset Management Expands Investment Expertise By Launching Innovative Fund Range**

H2O Asset Management today announced that it is expanding its product range with the launch of the H2O Barry funds.

H2O Barry Active Value and H2O Barry Short, both Irish UCITS, are the first funds specifically designed to address the problems associated with the current scarcity of liquidity in the marketplace following the regulatory crackdown on financial institutions.

“The objective of the Barry funds is to offer investment solutions leveraging today’s market predicaments and to turn these constraints impacting the performance of traditional asset classes into investment opportunities” said Bruno Crastes, H2O’s CEO. The funds will aim to offer investors new sources of performance and diversification benefits.

Commenting on the Barry Funds launch, Vincent Chailley, CIO, H2O Asset Management added: “The current financial system is definitely more robust as systemic financial crises are much less probable. However it is also characterised by more market distortions and it is prone to market shocks due to the massive drop in the liquidity provided by banks. The lower systemic risk makes these shockwaves less contagious and this pattern can offer attractive opportunities to flexible and responsive asset managers.”

- **Investment rationale of the Barry Funds**

**H2O Barry Active Value** aims to tap value from the new market environment. When markets are quiet, it invests in money market instruments. When a shock occurs, and as long as it is not deemed the result of a fundamental regime change, Barry Active Value steps in with a short term trading view.

“In a way, Barry Active Value brings liquidity to the markets when it is the most needed, and it is paid for it” explains Loic Guilloux, head of H2O’s New Business Development.

**H2O Barry Short** positions itself to gain from sharp rises in global interest rates, while benefiting from a carry in excess of cash in-between these upsurges. Above and beyond its bearish positioning on G4 Govies, the fund derives a part of its value from the brutal and significant magnitude of interest rates rises, due to the lack of liquidity that banks can nowadays provide to Govies markets. Barry Short uses a portfolio of actively managed options that offers a small positive carry over cash before this sizeable one-off event takes place.

H2O intends to **launch additional strategies** in the Barry range in 2017 and 2018. The next, **Barry Yield**, is a strategy that will derive its revenues from fees paid by banks looking to get a capital/liquidity relief benefit by entering into transactions that will decrease their Risk Weighted Assets (being on Operational, Market or Credit and Counterparty Risks), hence the cost of capital associated.

*An investment in such funds involves risk, including the possible loss of principal. Such Investment may not be suitable for all investors. Before determining if such investment is an appropriate investment, prospective investors must carefully consider the funds' investment objectives, risk factors, charges and expense as described in the funds' legal documentation.*

**ENDS**

### **About H2O Asset Management**

Specialized in Global Macro management, H2O Asset Management is a London-based company founded in 2010, and composed of 17 investment professionals, and an overall staff of more than 40 people. Part of the multi-affiliate model of Natixis Global Asset Management, H2O Asset Management is able to leverage on the support of Natixis Global Asset Management sales teams in Europe and elsewhere with a specific partnership with Natixis Asset Management. H2O Asset Management offers a comprehensive range of UCITS funds in global bonds, currencies and equities, serving institutional and corporate clients as well as individual investors. H2O Asset Management has €10.2bn of AuM as of 30/09/2016.

H2O ASSET MANAGEMENT L.L.P. Authorised and regulated by the Financial Conduct Authority (FCA) FCA Register no. 529105 Headquarters: 10 Old Burlington Street - London W1S 3AG - United Kingdom

### **About Natixis Global Asset Management, S.A.**

Natixis Global Asset Management serves thoughtful investment professionals with more insightful ways to understand and manage risk. Through our Durable Portfolio Construction<sup>®</sup> approach, we help them construct more strategic portfolios that seek to produce better outcomes in today's unpredictable markets. We draw from deep investor and industry insights and partner closely with our clients to put objective data behind the discussion.

Natixis is ranked among the world's largest asset management firms.<sup>1</sup> Uniting over 20 specialized investment managers globally (\$897 billion AUM<sup>4</sup>), we bring a diverse range of solutions tailored to meet every strategic challenge. From insight to action, Natixis helps our clients better serve their own with more durable portfolios.

Headquartered in Paris and Boston, Natixis Global Asset Management, S.A.'s assets under management totaled \$897 billion as of September 30, 2016.<sup>4</sup> Natixis Global Asset Management, S.A. is part of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in

France. Natixis Global Asset Management, S.A.'s affiliated investment management firms and distribution and service groups include Active Index Advisors;<sup>5</sup> AEW Capital Management; AEW Europe; AlphaSimplex Group; Axeltis; Darius Capital Partners; DNCA Investments;<sup>6</sup> Dorval Asset Management;<sup>7</sup> Emerise;<sup>8</sup> Gateway Investment Advisers; H2O Asset Management;<sup>7</sup> Harris Associates; IDFC Asset Management Company; Loomis, Sayles & Company; Managed Portfolio Advisors;<sup>5</sup> McDonnell Investment Management; Mirova;<sup>9</sup> Natixis Asset Management; Ossiam; Seeyond;<sup>9</sup> Vaughan Nelson Investment Management; Vega Investment Managers; and Natixis Global Asset Management Private Equity, which includes Seventure Partners, Naxicap Partners, Alliance Entreprendre, Euro Private Equity, Caspian Private Equity and Eagle Asia Partners. Visit [ngam.natixis.com](http://ngam.natixis.com) for more information.

Not all offerings are available in all jurisdictions. Durable Portfolio Construction does not guarantee a profit or protect against a loss.

Natixis Global Asset Management also includes business development units located across the globe, including NGAM UK Limited, which is authorised and regulated by the UK Financial Conduct Authority, as well as branch offices of NGAM S.A. in Germany and Italy.

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<sup>1</sup> Cerulli Quantitative Update: Global Markets 2016 ranked Natixis Global Asset Management, S.A. as the 16<sup>th</sup> largest asset manager in the world based on assets under management (\$870.3 billion) as of December 31, 2015.

<sup>4</sup> Net asset value as of September 30, 2016. Assets under management (AUM) may include assets for which non-regulatory AUM services are provided. Non-regulatory AUM includes assets which do not fall within the SEC's definition of 'regulatory AUM' in Form ADV, Part 1.

<sup>5</sup> A division of NGAM Advisors, L.P.

<sup>6</sup> A brand of DNCA Finance.

<sup>7</sup> A subsidiary of Natixis Asset Management.

<sup>8</sup> A brand of Natixis Asset Management and Natixis Asset Management Asia Limited, based in Singapore and Paris.

<sup>9</sup> Operated in the U.S. through Natixis Asset Management U.S., LLC

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