

VARENNE GLOBAL FCP

MONTHLY REPORT (A-USD UNIT) - APRIL 2017



NAV

\$220.84

INVESTMENT OBJECTIVE

The Fund's objective is to target above average returns in a fund that mixes a concentrated long and short equity portfolio (long biased) with an overlay of merger arbitrage (long/short pairs or longs) and opportunistic tail risk hedging.

MONTHLY PERFORMANCE

| Years | January | February | March | April | May | June | July | August | Sept. | October | Nov. | Dec. | Yearly Perf. |
|-------|---------|----------|-------|-------|--------|--------|-------|--------|-------|---------|-------|--------|---------------------|
| 2015 | - | - | - | - | - | - | - | - | - | - | - | -0.61% | -0.61% ² |
| 2016 | -2.28% | 0.39% | 0.65% | 1.43% | -0.03% | -0.97% | 2.62% | 0.1% | 0.49% | -0.55% | 0.45% | 2.04% | 4.35% |
| 2017 | 0.27% | 1.63% | 2.25% | 2.19% | | | | | | | | | 6.48% |

TOP 5 HOLDINGS (Equity)

| | | |
|---------------------|-------------|----------------|
| LVMH | Long Equity | France |
| WPP | Long Equity | United Kingdom |
| TJX COMPANIES | Long Equity | United States |
| THE PRICELINE GROUP | Long Equity | United States |
| GREGGS | Long Equity | United Kingdom |

NUMBER OF HOLDINGS

| | |
|--------------------|----|
| Equity | 22 |
| Special Situations | 2 |
| Tail Risk Hedging | 5 |

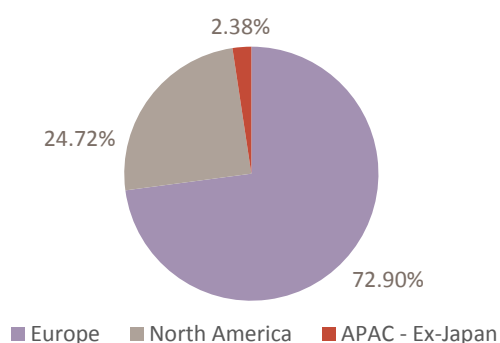
EXPOSURE BY MARKET CAPITALIZATION (Equity)

| | |
|----------------|--------|
| > EUR 3bn | 60.09% |
| EUR 500m – 3bn | 25.97% |
| < EUR 500m | 13.94% |

CURRENCY EXPOSURE (Mark-to-market, excluding Tail Risk Hedging)

| | USD | GBP | DKK | CHF | SGD | HKD | CNH |
|--------------|--------|--------|-------|-------|-------|-------|--------|
| Exposure | 20.20% | 15.15% | 4.70% | 4.43% | 1.61% | 0.07% | 0.00% |
| Hedging | 14.49% | 8.53% | - | - | 0.65% | - | 0.91% |
| Net Exposure | 5.71% | 6.62% | 4.70% | 4.43% | 0.96% | 0.07% | -0.91% |

GEOGRAPHIC BREAKDOWN (Equity, gross exposure, mark-to-market)



TOP 10 SECTORS (GICS sub-ind. - Equity, gross exposure, mark-to-market)

| | |
|------------------------------------|--------|
| Apparel, Accessories & Luxury | 12.83% |
| Food Retail | 10.45% |
| Advertising | 9.93% |
| Apparel Retail | 8.34% |
| Internet & Direct Marketing Retail | 7.21% |
| Pharmaceuticals | 6.66% |
| Specialty Chemicals | 6.28% |
| Multi-line Insurance | 5.60% |
| Footwear | 5.46% |
| Technology Distributors | 5.15% |

¹ Risk indicator scored on a scale of 1 (lower risk) to 7 (higher risk). Category 1 does not mean "risk-free". This indicator may change over time. The Fund's track record is less than 5 years, SRRI calculation is completed by Varenne Valeur Fund's data.

² Inception A-USD unit: 12/8/2015

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CUMULATIVE AND ANNUALIZED PERFORMANCE

| | Year to date | CUMULATIVE | | ANNUALIZED |
|----------------|--------------|------------|------------------------------|------------------------------|
| | | 1 year | Since Inception ² | Since Inception ² |
| VARENNE GLOBAL | 6.48% | 10.94% | 10.42% | 7.36% |

ANNUALIZED VOLATILITY

| Annualized volatility % (w) | 1 year | Since Inception ² |
|-----------------------------|--------|------------------------------|
| VARENNE GLOBAL | 4.80% | 6.23% |

INVESTMENT MANAGEMENT REVIEW

Macro Context: The main central banks kept their key rates on hold. Ten-year sovereign bond yields retreated in all regions, with the US T-Note down 11 basis points to 2.28%, the French OAT down 13bp to 0.836%, and the Gilt down 5bp to 1.08%. By extension, high-yield bond yields fell further during the month, to 2.725% in Europe and to 5.669% in the US.

Gold rose in March by 1.53% to \$1,268.28/ounce, while crude oil fell 2.51% to end the month at \$49.33. On the forex market, the euro rose 2.08% vs. the dollar at 1.09 and 1.43% vs. the Swiss franc at 1.08, and continued to give up ground to sterling at 0.84 (-0.85%).

Equity (Long Equity and Short Equity): A new investment was made in Givaudan (CH) and positions were scaled back in Groupe Fnac (FR) and Marr (IT).

Merger Arbitrage: WhiteWave Foods (US) shares were tendered to the bid by Danone (FR), locking in a capital gain. Under the simplified bid announced by Groupe Arnault (FR) for Christian Dior (FR), made in cash and in Hermès International (FR) shares, we simultaneously built up a long position in Christian Dior and a short position in Hermès International, based on the bid's ratio. A position was set up in Delta Lloyd (NL) and then unwound and the shares tendered to the bid by NN Group (NL).

Tail Risk Hedging: The fund is hedged against economic crisis risk or monetary shocks, mainly through a variance/volatility swap on the S&P 500, put-on-best options on Eurostoxx 50 and Nikkei maturing in March 2020 and yen/dollar put options maturing in 2020/21.

TERMS AND CONDITIONS

| | | | |
|--------------------|---|---------------------------|---|
| Fund Structure | UCITS / Unit Trust | Administrator | CACEIS Fund Administration |
| Type | Accumulation | Subscriptions/Redemptions | Daily No minimum |
| Benchmark | None | Subscription Fee | Up to 2%, fully paid to distributors when applicable |
| Initial NAV | \$200 | Redemption Fee | None |
| Inception | 1/31/2014 (A-EUR unit) | Management Fee | 1.95% of Net Assets |
| Isin | FR0012749380 (A-USD unit) | Performance Fee | 14.95% of the Fund's performance Hurdle Rate: 12-month rolling average of capitalised EONIA + 300 basis points |
| Bloomberg | VARGLOD FP | | |
| Investment Manager | Varenne Capital Partners AMF Approval no. GP-06 000004 | | |
| Custodian | CACEIS Bank France | | |

² Inception A-USD unit: 12/8/2015

Data sources: Varenne Capital Partners

Past performances do not guarantee future returns. Please consult the fund's prospectus prior to making any investments. Data included in this document relates exclusively to the A-USD unit of FCP Varenne Global. Data for other units differ. This document has been published solely for information purposes and does not therefore constitute, whether in full or in part, investment advice, or an offer, personalised recommendation or a solicitation to subscribe to, or redeem units, equities or other shares in the investment products presented.

VARENNE CAPITAL PARTNERS

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