

# VARENNE GLOBAL FCP

MONTHLY REPORT (I-EUR CLASS) - APRIL 2018



NAV

€1,179.15

## 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.
2016	1.98% <sup>3</sup>	0.47%	0.73%	1.47%	-0.13%	-1.12%	2.61%	0.12%	0.44%	-0.62%	0.60%	2.11%	8.93% <sup>3</sup>
2017	0.19%	1.60%	2.21%	2.17%	0.45%	-0.87%	-0.83%	-0.65%	2.25%	0.67%	0.38%	0.91%	8.73%
2018	0.81%	-2.23%	-0.94%	1.96%									-0.45%

## TOP 5 HOLDINGS (Equity)

ULTA BEAUTY	Long Equity	United States
ROSS STORES	Long Equity	United States
GREGGS	Long Equity	United Kingdom
LVMH	Long Equity	France
ACCENTURE	Long Equity	United States

## NUMBER OF HOLDINGS

Long Equity	20
Short Equity	1
Merger Arbitrage	8
Tail Risk Hedging	3

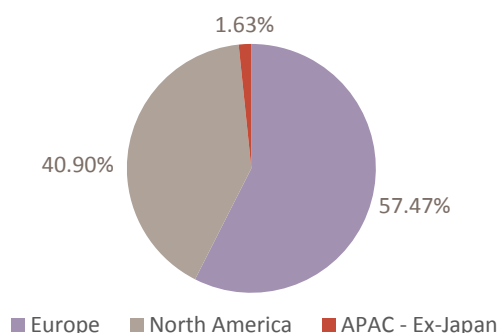
## EXPOSURE BY MARKET CAPITALIZATION (Equity)

> EUR 3bn	68.65%
EUR 500m – 3bn	20.78%
< EUR 500m	10.58%

## CURRENCY EXPOSURE (Delta adjusted, excluding Tail Risk Hedging)

	USD	GBP	CHF	DKK	SGD	HKD	CNH
Exposure	27.36%	7.23%	4.29%	4.16%	0.93%	0.03%	0.00%
Hedging	17.33%	5.56%	-	-	0.37%	-	0.86%
Net Exposure	10.03%	1.67%	4.29%	4.16%	0.56%	0.03%	-0.86%

## GEOGRAPHIC BREAKDOWN (Equity, gross exposure, delta adjusted)



## TOP 10 SECTORS (GICS sub-ind. - Equity, gross exposure, delta adjusted)

Apparel, Accessories & Luxury	13.60%
Specialty Stores	9.94%
Apparel Retail	9.01%
Restaurants	8.64%
IT Consulting & Other Services	8.09%
Specialty Chemicals	7.21%
Pharmaceuticals	7.00%
Movies & Entertainment	6.39%
Multi-line Insurance	5.14%
Technology Distributors	4.08%

<sup>1</sup> 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.

<sup>2</sup> Inception I-EUR class: 12/24/2015

<sup>3</sup> First subscription in January 2016

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## CUMULATIVE AND ANNUALIZED PERFORMANCE

	Year to date	CUMULATIVE		ANNUALIZED
		1 year	Since Inception <sup>2</sup>	Since Inception <sup>2</sup>
VARENNE GLOBAL	-0.45%	1.83%	17.92%	7.49%

## ANNUALIZED VOLATILITY

Annualized volatility % (w)	1 year	Since Inception <sup>2</sup>
VARENNE GLOBAL	6.06%	5.90%

## INVESTMENT MANAGEMENT REVIEW

**Macro Context:** The major central banks kept their key rates on hold. Ten-year sovereign bond yields went up on both sides of the Atlantic, with the Bund up to 0.56%, the French OAT to 0.79% and the US T-Bond to 2.95%. High yield bond yields were stable at 6.26% (+8bps) in the US as well as in Europe at 3.23% (-11bps). Volatility slipped over the month to 15.93% in the case of the VIX (S&P 500) and to 13.72% for the VSTOXX (EURO STOXX 50). Energy commodities rallied, with crude oil up 5.59% to \$68.57/bbl. Industrial and precious metals showed mixed performances, with copper gaining 1.39% to \$6,807/tonne and gold down 0.63% to \$1,317/ounce. On the forex market, the euro gave up 1.81% to the dollar at 1.21, was flat vs. the sterling at 0.88 (-0.01%) but gained +1.86% vs. the Swiss franc at 1.20.

**Long Equity:** No major change was made to the portfolio.

**Short Equity:** Initiation of a short position on a proprietary basket composed of companies with cash-burn issues.

**Merger Arbitrage:** Three new holdings were set up in Naturex (FR), Snaitech (IT) and Abertis (ES). The holdings in Zodiac Aerospace (FR), Refresco (NL), Callidus Software (US) and Fogo de Chao (US) were tendered to their respective offers.

**Tail Risk Hedging:** The Fund is hedged against economic and financial risks through CDS on European subordinated financial debt maturing in December 2021 and June 2022, put-on-best options on the EuroStoxx 50 and Nikkei maturing in March 2020, and yen/dollar put options maturing in 2023.

## 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	€1,000	Redemption Fee	None
Inception	1/31/2014 (A-EUR class)	Management Fee	1.10% of Net Assets
Isin	FR0013073053 (I-EUR class)	Performance Fee	14.95% of the Fund's performance Hurdle Rate: 12-month rolling average of capitalised EONIA + 300 basis points
Bloomberg	VARGLOI FP		
Investment Manager	Varenne Capital Partners AMF Approval no. GP-06 000004		
Custodian	CACEIS BANK		

<sup>2</sup> Inception I-EUR class: 12/24/2015

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 I-EUR class of FCP Varenne Global. Data for other classes 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

French joint stock company – Registered with the Trade and Companies Register of Paris under number B 445 000 136

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