

VARENNE GLOBAL FCP

MONTHLY REPORT (I-EUR UNIT) - AUGUST 2017



NAV

€1,135.99

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% ³	0.47%	0.73%	1.47%	-0.13%	-1.12%	2.61%	0.12%	0.44%	-0.62%	0.60%	2.11%	8.93% ³
2017	0.19%	1.60%	2.21%	2.17%	0.45%	-0.87%	-0.83%	-0.65%					4.29%

TOP 5 HOLDINGS (Equity)

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

NUMBER OF HOLDINGS

Equity	21
Special Situations	5
Tail Risk Hedging	4

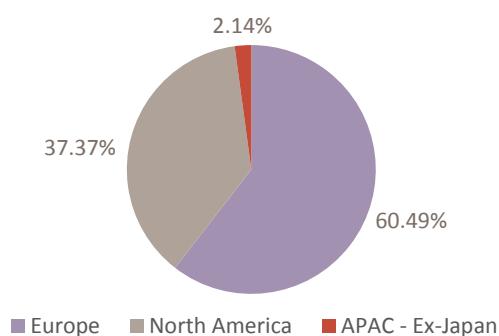
EXPOSURE BY MARKET CAPITALIZATION (Equity)

> EUR 3bn	65.28%
EUR 500m – 3bn	21.89%
< EUR 500m	12.83%

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

	USD	GBP	DKK	CHF	SGD	HKD	CNH
Exposure	31.75%	14.67%	5.03%	3.30%	1.40%	0.08%	0.00%
Hedging	27.58%	10.41%	-	-	0.53%	-	0.85%
Net Exposure	4.17%	4.26%	5.03%	3.30%	0.87%	0.08%	-0.85%

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



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

Apparel Retail	14.99%
Specialty Stores	10.68%
Restaurants	9.91%
Apparel, Accessories & Luxury	8.32%
Advertising	7.55%
Pharmaceuticals	7.25%
Internet & Direct Marketing Retail	6.34%
Specialty Chemicals	4.92%
Technology Distributors	4.72%
Multi-line Insurance	4.66%

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 I-EUR unit: 12/24/2015

³ First subscription in January 2016

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CUMULATIVE AND ANNUALIZED PERFORMANCE

	Year to date	CUMULATIVE		ANNUALIZED
		1 year	Since Inception ²	Since Inception ²
VARENNE GLOBAL	4.29%	6.93%	13.60%	8.20%

ANNUALIZED VOLATILITY

	1 year	Since Inception ²
Annualized volatility % (w)		
VARENNE GLOBAL	4.95%	5.54%

INVESTMENT MANAGEMENT REVIEW

Macro Context: The main central banks kept their key rates on hold. Ten-year bond sovereign bond yields dropped in both Europe and the US, with the Bund falling to 0.36%, the French OAT to 0.66%, the US T-Note to 2.12%. The trend was similar in the UK and Italy, with the Gilt falling to 1.03%, and the Italian BTP to 2.04%. High-yield bond yields are at 2.89% in Europe and 6.04% in the US. Volatility was stable on the month at 10.59% for the VIX (S&P 500) and rose by 173bps to 15.63% for the VSTOXX (EURO STOXX 50).

Industrial and precious metals continued to rally, with copper gaining 6.58% to \$6,788 / tonne and gold up 4.10% to \$1,321.43 / ounce. Crude fell by 5.86% to \$47.23/bbl. On the forex markets, the euro levelled off to the dollar at \$1.19 (+0.57%) and to the Swiss franc at CHF 1.14 (-0.27%), while gaining 2.79% to sterling at GBP 0.92.

Equity (Long Equity and Short Equity): A new investment was made in Ulta Beauty (US).

Merger Arbitrage: A new position was set up in SFR Group (FR) in the wake of the buyout bid by its parent company Altice (NV). The holding in Etam Developpement (FR) was tendered to Finora (FR) in response to its simplified takeover bid, as well as CIC (FR) to the simplified offer of Credit Mutuel (FR).

Tail Risk Hedging: The fund is hedged against a risk of economic crisis or monetary shocks, mainly through CDS against the default risk on European subordinated financial debt, variance swaps 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 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 unit)	Management Fee	1.10% of Net Assets
Isin	FR0013073053 (I-EUR unit)	Performance Fee	14.95% of the Fund's performance
Bloomberg	VARGLOI FP		Hurdle Rate: 12-month rolling average of capitalised EONIA + 300 basis points
Investment Manager	Varenne Capital Partners AMF Approval no. GP-06 000004		
Custodian	CACEIS BANK		

² Inception I-EUR unit: 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 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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