

VARENNE VALEUR FCP

MONTHLY REPORT (I-USD UNIT) - APRIL 2017



NAV

\$1,055.92

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												-0.12% ²	-0.12% ²
2017	-0.01%	1.80%	1.98%	1.84%									5.72%

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
NOVO NORDISK	Long Equity	Denmark

NUMBER OF HOLDINGS

Equity	24
Special Situations	3
Tail Risk Hedging	5

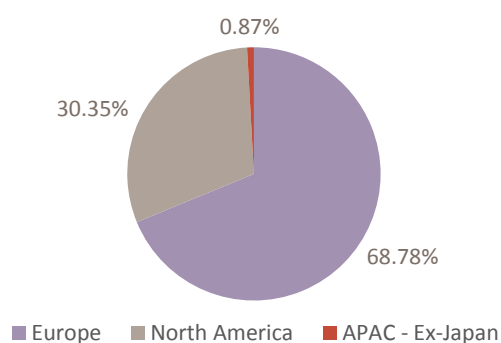
EXPOSURE BY MARKET CAPITALIZATION (Equity)

> EUR 3bn	74.96%
EUR 500m – 3bn	19.11%
< EUR 500m	5.93%

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

	USD	GBP	DKK	CHF	SGD	HKD	CNH
Exposure	20.54%	9.19%	4.74%	3.88%	0.37%	0.11%	0.00%
Hedging	14.35%	5.51%	-	-	0.15%	-	0.22%
Net Exposure	6.19%	3.68%	4.74%	3.88%	0.22%	0.11%	-0.22%

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



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

Apparel, Accessories & Luxury	18.56%
Advertising	11.59%
Apparel Retail	10.02%
Internet & Direct Marketing Retail	8.96%
Pharmaceuticals	8.17%
Specialty Chemicals	6.70%
Footwear	6.55%
Food Retail	5.70%
Movies & Entertainment	4.61%
Food Distributors	4.18%

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.

² Inception I-USD unit: 12/27/2016

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CUMULATIVE AND ANNUALIZED PERFORMANCE

	CUMULATIVE		ANNUALIZED
	Year to date	Since Inception ²	Since Inception ²
VARENNE VALEUR	5.72%	5.59%	-

ANNUALIZED VOLATILITY

	1 year	Since Inception ²
VARENNE VALEUR	-	-

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.

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	\$1,000	Redemption Fee	None
Inception	01/31/2003 (A-EUR unit)	Management Fee	1.10% of Net Assets
Isin	FR0013223583 (I-USD unit)	Performance Fee	14.95% of the Fund's performance
Bloomberg	VARVALU FP		Hurdle Rate: Average TEC 5 annual yield calculated over the 12 most recent months
Investment Manager	Varenne Capital Partners AMF Approval no. GP-06 000004		
Custodian	CACEIS Bank France		

² Inception I-USD unit: 12/27/2016

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-USD unit of FCP Varenne Valeur. 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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