

# VARENNE GLOBAL SELECTION

AIF

KIID, Prospectus and Management Rules





























































To this end, it has identified the employees concerned, established a suitable balance between fixed and variable compensation as well as a vesting rule for 40% of the variable component, and correlates future payments to the company's financial health. This compensation policy may be viewed on the company's website ([www.varennecapital.com](http://www.varennecapital.com)) and on simple written request to:

**VARENNE CAPITAL PARTNERS**

42 avenue Montaigne 75008 Paris – France

Update of the Prospectus: 1~~7~~2017.

**SECTION 1 - ASSETS AND UNITS****Article 1 – Joint ownership units**

Joint ownership rights are expressed in units; each unit corresponds to the same fraction of the Fund's assets. Every unit holder has a right of joint ownership over the Fund's assets, which is proportional to the number of units held.

The Fund has a term of 99 years from the date of inception, except in the event of premature liquidation or of an extension as specified in the present rules.

Unit classes:

The characteristics of the various classes of units and their eligibility requirements are described in the Fund's Prospectus.

The different unit classes may:

- Be eligible for different income distribution methods (distribution or accumulation);
- Be denominated in different currencies;
- Pay different management charges;
- Pay different subscription and redemption fees;
- Have a different par value;
- Be systematically hedged against risk, in part or in full, as defined in the prospectus. This hedging is obtained by using financial instruments that minimise the impact of the hedging transactions on the AIF's other unit classes;
- Be reserved for one or more distribution networks.

Following the decision of the Board of Directors of the Management Company, units may be sub-divided into thousandths, referred to as fractions of units.

The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided, all other provisions of the regulations relating to units shall apply to fractions of units without any need to make a specific provision to that end.

Lastly, the Board of Directors of the Management Company may decide, at its own discretion, to sub-divide the units by issuing new units that will be allocated to the unitholders in exchange for their existing units.

**Article 2 – Minimum capital**

Redemption of the units may not be processed if the Fund's assets fall below 300,000 euros; if the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to liquidate the relevant fund, or to carry out one of the operations mentioned in Article 422-17 of the AMF General Regulation (transformation of the AIF).

**Article 3 – Issuance and redemption of units**

Units are issued at any time at the request of the unit holders, on the basis of the net asset value plus any subscription fee, if applicable.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the prospectus.

Units of the Fund may be listed on a stock exchange in accordance with the regulations in force.

Subscriptions must be paid in full on the day when the net asset value is calculated. They may be made in cash and/or by a contribution in kind in the form of financial instruments. The management company has the right to refuse the securities offered for this purpose, and has a period of seven days from their deposit to make its decision known. In the event the company accepts, the securities contributed are valued according to the rules established in Article 4. Subscriptions are made on the basis of the first net asset value following acceptance of the relevant securities.

Redemptions are made exclusively in cash, except in the event of liquidation of the Fund when unit holders have agreed to be reimbursed in securities. They are settled by the registrar within a maximum period of five days following the valuation of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended to a maximum of 30 days.

Except in the case of a succession or a living gift, a disposal or transfer between unit holders, or from unit holders to a third party, will be considered as a redemption followed by a subscription; If a third party is involved, the amount of the disposal or the transfer must, if applicable, be made up by the beneficiary in order to reach the minimum subscription level required by the prospectus.

In accordance with Article L. 214-24-41 of the French Financial and Monetary Code, the redemption of units by the Fund as well as the issue of new units may be suspended on a temporary basis by the management company when exceptional circumstances require it and if the interest of the unit holders demands it.

When the net asset value of the Fund is lower than the amount specified by the regulations, no further unit redemptions may be performed.

Minimum subscription amount applicable to each unit class under the terms and conditions set out in the prospectus.

#### **Article 4 – Calculation of the net asset value**

The net asset value of the units is calculated in accordance with the valuation rules specified in the prospectus.

### **SECTION 2 – OPERATION OF THE FUND**

#### **Article 5 – The management company**

The Fund is managed by the management company in accordance with the Fund's investment objectives.

The Management Company may take any decision to change the Fund's investment strategy or policy, in the interest of the unitholders and in compliance with the applicable legal and regulatory provisions. These changes may be submitted to the *Autorité des Marchés Financiers* (AMF) for approval.

The management company shall act in all circumstances on behalf of the unit holders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

#### **Article 5a – Operating rules**

The instruments and deposits which are eligible to form part of the Fund's assets as well as the investment rules are described in the prospectus.

#### **Article 5b - Admission of the units for trading on a regulated market and/or multilateral trading system**

The units have not been admitted for trading on a regulated market and/or multilateral trading system in accordance with the legislation in force.

#### **Article 6 – The custodian**

The custodian carries out the duties incumbent upon it under the legal and regulatory provisions in force as well as those with which it has been contractually entrusted by the management company. In particular, it must ensure that decisions taken by the management company are lawful. If applicable, the custodian must take all protective measures that it deems useful. The custodian shall inform the AMF in the event of a dispute with the management company.

#### **Article 7 – The statutory auditor**

The governing body of the management company appoints a statutory auditor for six financial years, after obtaining approval from the AMF.

The statutory auditor certifies the accuracy and consistency of the financial statements.

The auditor's appointment may be renewed.

The statutory auditor shall notify the AMF promptly if, in the course of its duties, it becomes aware of any fact or decision concerning the undertaking for collective investment in transferable securities which is liable to:

- 1° Constitute a breach of the legal and regulatory provisions governing this undertaking and is likely to have significant consequences for its financial position, income or assets;
- 2° Impair its continued operation or the conditions thereof;
- 3° Lead to the expression of reservations or a refusal to certify the financial statements.

The valuation of assets and the setting of exchange parities in corporate change, merger or demerger transactions are performed under the supervision of the statutory auditor.

The statutory auditor shall assess all contributions in kind under its responsibility.

The auditor shall certify the accuracy of the breakdown of assets and other items before the accounts are published.

The statutory auditor's fees are set by common agreement between the former and the Board of Directors or the Executive Committee of the management company, according to a schedule of work specifying the due diligence procedures that are deemed

necessary.

The auditor certifies situations which are the basis for the distribution of advance payments.

#### **Article 8 – Financial statements and management report**

At the end of each financial year, the management company prepares the financial statements and a report on the management of the Fund during the last financial year.

The management company prepares the inventory of the Fund's assets at least half-yearly and under the supervision of the custodian.

The management company will make these documents available to unit holders within four months of the financial year-end and notifies them of the amount of income due to them: these documents will be sent by post if expressly requested by the unit holders, or made available to them at the office of the management company.

### **SECTION 3 – ALLOCATION OF DISTRIBUTABLE AMOUNTS**

#### **Article 9 – Allocation of distributable amounts**

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, and directors' fees as well as all income generated by the securities held in the portfolio of the fund (and/or of each sub-fund), plus income generated by temporary cash holdings, less management fees and borrowing costs.

For a UCI, distributable amounts consist of:

- Net income for the financial year plus retained earnings, plus or minus the balance on the income equalisation account
- Realised capital gains, net of fees, less any realised capital losses, net of fees, recognised during the financial year, plus net capital gains of the same kind recognised during previous financial years and not yet distributed or accumulated, plus or minus the balance of the capital gains equalisation account.

The amounts mentioned in points 1 and 2 above may be distributed, in full or in part and independently of each other.

The method for allocating distributable income is set out in the prospectus.

### **SECTION 4 – MERGER – DEMERGER – WINDING UP – LIQUIDATION**

#### **Article 10 – Merger - Demerger**

The management company may either merge all or part of the Fund's assets with another professional alternative investment fund, or split the Fund into two or more mutual funds.

These merger or demerger transactions may only take place after unit holders have been notified. They give rise to the delivery of a new certificate specifying the number of units owned by each holder.

#### **Article 11 – Winding up - Extension**

If the assets of the Fund remain below the amount set in article 2 above for thirty days, the management company shall inform the AMF and shall dissolve the Fund, except in the event of a merger with another mutual fund.

The management company may dissolve the Fund early; it shall notify unit holders of its decision and as of that date subscription or redemption requests shall no longer be accepted.

The management company shall also dissolve the Fund if a request is made for the redemption of all of the units, if the custodian's appointment is terminated and no other custodian has been appointed, or upon expiry of the Fund's term, unless such term is extended.

The management company shall write to the AMF informing it of the winding-up date and procedures chosen. It shall then forward the Statutory Auditor's report to the AMF.

The management company may decide to extend the Fund's term subject to the agreement of the custodian. Its decision must be taken at least 3 months prior to the expiry of the Fund's term and must be communicated to the unit holders and the AMF.

#### **Article 12 – Liquidation**



In the event that the Fund is wound up, the management company or the appointed liquidator, after agreement, is responsible for the liquidation transactions. For this purpose, they shall be granted the broadest powers to sell the Fund's assets, settle liabilities, if any, and allocate the balance in cash or in securities to the unit holders.

The statutory auditor and the custodian shall continue to perform their duties up until the end of the liquidation proceedings.

## **SECTION 5 – DISPUTES**

### **Article 13 – Jurisdiction - Election of Domicile**

All disputes relating to the Fund that may arise during the term of the Fund or during its liquidation either between the unit holders or between the unit holders and the management company or the custodian are subject to the jurisdiction of the competent courts.

Update of the Management Rules: 13.12.2017.