

# VARENNE GLOBAL

**FCP (French Open-ended Mutual Investment Fund)**

**KIID, Prospectus and Management Rules**

## Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

**VARENNE GLOBAL – Unit class A-EUR - ISIN code: FR0011631035**  
**Management company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

**AMF Classification:** "Diversified" Fund

**Investment objective:** The aim of the Fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the fund may be compared *ex post* with the annualised performance of Capitalised EONIA (12-month rolling average) + 300 basis points.

**Main financial asset classes:**

The Fund's investment strategy is based on a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure. There is consequently no particular preference for any geographical area or sector. Similarly, no priority is given to investment in any particular asset class. Investment decisions are determined by the opportunities presented by the markets as analysed by the fund management team and its expectations regarding market developments.

Thus, depending on market conditions, the Fund may invest without limitation in the following financial assets from any geographical area and sector:

**Equities:** exposure ranging between 0% and 200% of net assets. The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities. In particular, the Fund may invest in the shares of small and mid-cap companies.

**Fixed-income:** investment between 0% and 100% of net assets. Exposure to these assets will remain between 0 and 2 times the net assets of the Fund due to the use of gearing and/or forward financial contracts. The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB by the rating agencies, according to the Standard & Poor's scale). For fixed-income securities, the Management Company conducts a proprietary credit analysis of securities upon acquisition and during the life of those securities. It does not base itself exclusively on agency ratings and has its own procedures in place to make investment and divestment decisions. The Management Company does not automatically base itself on these ratings. Rather, it gives precedence to its own credit analysis to assess the credit quality of these assets and decide, where appropriate, to downgrade their credit score.

Investment may be made in Treasury issues, fixed- or floating-rate Government securities, Treasury bills, in secondary or primary market bonds in the form of sovereign or corporate debt. The sensitivity range will be between 0 and 4.

UCITS, AIFs and investment funds: investment ranging between 0% and 10% of net assets. As part of its cash management and/or access to complementary asset management techniques or in order to improve the risk-return profile of the portfolio, the Fund may be invested in units or shares of French or foreign UCITS or investment funds, whether or not managed by the management company, that meet the conditions of Article R. 214-13 of the French Monetary and Financial Code.

Financial contracts: 0 to 200% of the Fund's net assets, capped at once the net assets. For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed income) or on equity indices, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. These instruments will also be used for purposes of exposure and/or hedging in foreign exchange markets, on an entirely discretionary basis, depending on the expectations of the fund management team.

Net income and net realised capital gains are reinvested.

The Net Asset Value (NAV) is calculated each day.

Orders for subscription and redemption, which are in thousandths of units, are received each day before 11 a.m. CEST at CACEIS Bank and executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

The recommended investment period is more than two years.

**Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The level of the risk indicator in the past does not serve as a guide to its level in the future. The lowest category does not mean "risk-free".

**This Fund is classified as risk category 4;** this risk level is due mainly to its exposure to fixed-income markets due to the risk of impairment related to changes in interest rates; and to its exposure to equity markets.

**MATERIAL RISKS TO THE FUND THAT ARE NOT TAKEN INTO ACCOUNT IN THE INDICATOR:**

- Credit risk: If an issuer defaults or becomes less creditworthy, for instance if its credit rating is downgraded by a rating agency, the value of the bonds in which the Fund is invested will also fall.
  - Counterparty risk: Default of a market participant, preventing it from fulfilling its commitments in regard to the Fund.
  - Liquidity risk: The Fund may be exposed to the liquidity risk inherent in small and medium sized companies.
- The occurrence of any of these risks may have a negative impact on the net asset value of the Fund.

## CHARGES FOR THIS FUND

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.97%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> <b>0.08%</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

This is the maximum that might be taken out of your money before it is invested. Investors may pay less in certain cases. Investors may ascertain the actual amount of entry and exit charges from their financial advisor or distributor.

The ongoing charges and the performance fee are based on the figures from the previous financial year ending on 31 December 2016.

This percentage may vary from one year to another.

### Ongoing charges do not include:

- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

(\*) The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website [www.banque-france.fr](http://www.banque-france.fr).

For more information about charges, please refer to the section entitled "Charges and Fees" in the Fund's prospectus, which is available on the company's website [www.varennecapital.com](http://www.varennecapital.com).

## PAST PERFORMANCE - UNIT CLASS A-EUR



Annual Performances of Varenne Global A-EUR

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The unit class A-EUR was authorised on 3 January 2014 and launched on 31 January 2014.
- The currency in which the past performance has been calculated is the euro.

The diversified, flexible and fully discretionary nature of the Fund makes an *ex ante* comparison with a benchmark index irrelevant. The performance of this Fund may only be usefully compared to the *ex post* performance of the 12-month rolling average of Capitalised EONIA +300 basis points.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

**Where and how to obtain information about the Fund (prospectus/annual and semi-annual report) or about the compensation policy of the Management Company:** investors can obtain more information about the Fund upon written request to:

**VARENNE CAPITAL PARTNERS**  
42 avenue Montaigne  
75008 Paris – France

**Where and how to obtain other useful information including Net Asset Values:** the Net Asset Value is available free of charge in French on the website [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** Depending on your tax status, any capital gains and income resulting from the ownership of units in the Fund may be subject to tax. We recommend that you obtain further information on this matter from the Fund's marketer and/or from your financial adviser.

Varenne Capital Partners may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

This Fund is authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

Varenne Capital Partners is a portfolio management company authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

The Fund offers other units for investor categories described in its Prospectus.

This key investor information is accurate as at 01.08.2017.

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**VARENNE GLOBAL - Unit Class A-CHF - ISIN code: FR0012055937**  
**Management company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

**AMF Classification:** "Diversified" Fund.

**Investment objective:** The aim of the fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the fund may be compared *ex post* with the annualised performance of Capitalised EONIA (12-month rolling average) + 300 basis points.

**Main financial asset classes:**

The Fund's investment strategy is based on a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure. There is consequently no particular preference for any geographical area or sector. Similarly, no priority is given to investment in any particular asset class. Investment decisions are determined by the opportunities presented by the markets as analysed by the fund management team and its expectations regarding market developments.

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**Equities:** exposure ranging between 0% and 200% of net assets. The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities. In particular, the Fund may invest in the shares of small and mid-cap companies.

**Fixed-income:** investment between 0% and 100% of net assets. Exposure to these assets will remain between 0 and 2 times the net assets of the Fund due to the use of gearing and/or forward financial contracts. The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB by the rating agencies, according to the Standard & Poor's scale). For fixed-income securities, the Management Company conducts a proprietary credit analysis of securities upon acquisition and during the life of those securities. It does not base itself exclusively on agency ratings and has its own procedures in place to make investment and divestment decisions. The Management Company does not automatically base itself on these ratings. Rather, it gives precedence to its own credit analysis to assess the credit quality of these assets and decide, where appropriate, to downgrade their credit score. Investment may be made in Treasury issues, fixed- or floating-rate Government securities,

Treasury bills, in secondary or primary market bonds in the form of sovereign or corporate debt. The sensitivity range will be between 0 and 4.

The asset manager will systematically and fully hedge the unit class against EUR/CHF currency risk.

UCITS, AIFs and investment funds: investment between 0% and 10% of net assets. As part of its cash management and/or access to complementary asset management techniques or in order to improve the risk-return profile of the portfolio, the Fund may be invested in units or shares of French or foreign UCITS or investment funds, whether or not managed by the management company, that meet the conditions of Article R. 214-13 of the French Monetary and Financial Code.

Financial contracts: 0 to 200% of the Fund's net assets, capped at once the net assets. For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed income) or on equity indices, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. These instruments will also be used for purposes of exposure and/or hedging in foreign exchange markets, on an entirely discretionary basis, depending on the expectations of the fund management team.

Net income and net realised capital gains are reinvested.

The Net Asset Value (NAV) is calculated each day.

Orders for subscription and redemption, which are in thousandths of units, are received each day before 11 a.m. CEST at CACEIS Bank and executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

The recommended investment period is more than two years.

**Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The level of the risk indicator in the past does not serve as a guide to its level in the future. The lowest category does not mean "risk-free".

**This Fund is classified as risk category 4;** the risk level assigned to this Fund is due mainly to its exposure to fixed-income markets due to the risk of impairment related to changes in interest rates; and to its exposure to equity markets.

**MATERIAL RISKS TO THE FUND THAT ARE NOT TAKEN INTO ACCOUNT IN THE INDICATOR:**

- Credit risk: If an issuer defaults or becomes less creditworthy, for instance if its credit rating is downgraded by a rating agency, the value of the bonds in which the Fund is invested will also fall.
- Counterparty risk: Default of a market participant, preventing it from fulfilling its commitments in regard to the Fund.
- Liquidity risk: The Fund may be exposed to the liquidity risk inherent in small and medium sized companies.

The occurrence of any of these risks may have a negative impact on the net asset value of the Fund.

## CHARGES FOR THIS FUND

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.97%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i>  <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

This is the maximum that might be taken out of your money before it is invested. Investors may pay less in certain cases. Investors may ascertain the actual amount of entry and exit charges from their financial advisor or distributor.

The ongoing charges and the performance fee are based on the figures from the previous financial year ending on 31 December 2016.

This percentage may vary from one year to another.

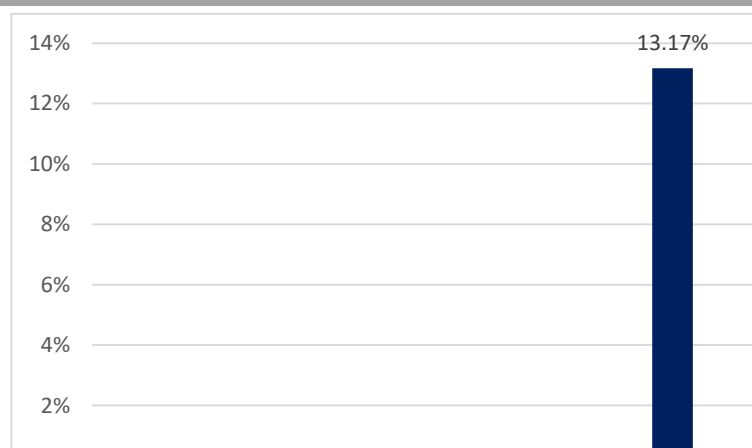
### Ongoing charges do not include:

- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

(\*) The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website [www.banque-france.fr](http://www.banque-france.fr).

For more information about charges, please refer to the section entitled "Charges and Fees" in the Fund's prospectus, which is available on the company's website [www.varennecapital.com](http://www.varennecapital.com).

## PAST PERFORMANCE - UNIT CLASS A-CHF



Annual Performances of Varenne Global A-CHF

■ Past performance is not a reliable indicator of future performance.

■ The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.

■ The Fund was authorised on 3 January 2014 and the unit class A-CHF was launched on 4 August 2014.

■ The currency in which the past performance has been calculated is the Swiss franc.

The diversified, flexible and fully discretionary nature of the Fund makes an *ex ante* comparison with a benchmark index irrelevant. The performance of this Fund may only be usefully compared to the *ex post* performance of the 12-month rolling average of Capitalised EONIA +300 basis points.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

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### VARENNE CAPITAL PARTNERS

42 avenue Montaigne  
75008 Paris – France

**Where and how to obtain other useful information including Net Asset Values:** the Net Asset Value is available free of charge in French on the website [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** Depending on your tax status, any capital gains and income resulting from the ownership of units in the Fund may be subject to tax. We recommend that you obtain further information on this matter from the Fund's marketer and/or from your financial adviser.

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The Fund offers other units for investor categories described in its Prospectus.

This key investor information is accurate as at 01.08.2017.

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**VARENNE GLOBAL - Unit Class A-USD - ISIN code: FR0012749380**

**Management company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

**AMF Classification:** "Diversified" Fund.

**Investment objective:** The aim of the fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the fund may be compared *ex post* with the annualised performance of Capitalised EONIA (12-month rolling average) + 300 basis points.

**Main financial asset classes:**

The Fund's investment strategy is based on a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure. There is consequently no particular preference for any geographical area or sector. Similarly, no priority is given to investment in any particular asset class. Investment decisions are determined by the opportunities presented by the markets as analysed by the fund management team and its expectations regarding market developments.

Thus, depending on market conditions, the Fund may invest without limitation in the following financial assets from any geographical area and sector:

**Equities:** exposure ranging between 0% and 200% of net assets. The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities. In particular, the Fund may invest in the shares of small and mid-cap companies.

**Fixed-income:** investment between 0% and 100% of net assets. Exposure to these assets will remain between 0 and 2 times the net assets of the Fund due to the use of gearing and/or forward financial contracts. The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB by the rating agencies, according to the Standard & Poor's scale). For fixed-income securities, the Management Company conducts a proprietary credit analysis of securities upon acquisition and during the life of those securities. It does not base itself exclusively on agency ratings and has its own procedures in place to make investment and divestment decisions. The Management Company does not automatically base itself on these ratings. Rather, it gives precedence to its own credit analysis to assess the credit quality of these assets and decide, where appropriate, to downgrade their credit score.

Investment may be made in Treasury issues, fixed- or floating-rate Government securities, Treasury bills, in secondary or primary

market bonds in the form of sovereign or corporate debt. The sensitivity range will be between 0 and 4.

The asset manager will systematically and fully hedge the unit class against EUR/USD currency risk.

**UCITS, AIFs and investment funds:** investment between 0% and 10% of net assets. As part of its cash management and/or access to complementary asset management techniques or in order to improve the risk-return profile of the portfolio, the Fund may be invested in units or shares of French or foreign UCITS or investment funds, whether or not managed by the management company, that meet the conditions of Article R. 214-13 of the French Monetary and Financial Code.

**Financial contracts:** 0 to 200% of the Fund's net assets, capped at once the net assets. For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed income) or on equity indices, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. These instruments will also be used for purposes of exposure and/or hedging in foreign exchange markets, on an entirely discretionary basis, depending on the expectations of the fund management team.

Net income and net realised capital gains are reinvested.

The Net Asset Value (NAV) is calculated each day.

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The recommended investment period is more than two years.

**Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### RISK AND REWARD PROFILE



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**MATERIAL RISKS TO THE FUND THAT ARE NOT TAKEN INTO ACCOUNT IN THE INDICATOR:**

This Fund is classified as risk **category 4**; the risk level assigned to this Fund is due mainly to its exposure to fixed-income markets due to the risk of impairment related to changes in interest rates; and to its exposure to equity markets.

- Credit risk: If an issuer defaults or becomes less creditworthy, for instance if its credit rating is downgraded by a rating agency, the value of the bonds in which the Fund is invested will also fall.
  - Counterparty risk: Default of a market participant, preventing it from fulfilling its commitments in regard to the Fund.
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<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> <b>0.08%</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

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## PAST PERFORMANCE - UNIT CLASS A-USD



Annual Performances of Varenne Global A-USD

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class A-USD was launched on 9 December 2015.
- The currency in which the past performance has been calculated is the dollar.

The diversified, flexible and fully discretionary nature of the Fund makes an *ex ante* comparison with a benchmark index irrelevant. The performance of this Fund may only be usefully compared to the *ex post* performance of the 12-month rolling average of Capitalised EONIA +300 basis points.

## PRACTICAL INFORMATION

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**VARENNE GLOBAL – Unit class P-EUR - ISIN code: FR0013247087**

**Management company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

**AMF Classification:** "Diversified" Fund

**Investment objective:** The aim of the Fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the Fund may be compared *ex post* with the annualised performance of Capitalised EONIA (12-month rolling average) + 300 basis points.

**Main financial asset classes:**

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**Equities:** exposure ranging between 0% and 200% of net assets. The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities. In particular, the Fund may invest in the shares of small and mid-cap companies.

**Fixed income:** investment between 0% and 100% of net assets. Exposure to these assets will remain between 0 and 2 times the net assets of the Fund due to the use of gearing and/or forward financial contracts. The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB by the rating agencies, according to the Standard & Poor's scale). For fixed-income securities, the Management Company conducts a proprietary credit analysis of securities upon acquisition and during the life of those securities. It does not base itself exclusively on agency ratings and has its own procedures in place to make investment and divestment decisions. The Management Company does not automatically base itself on these ratings. Rather, it gives precedence to its own credit analysis to assess the credit quality of these assets and decide, where appropriate, to downgrade their credit score.

Investment may be made in Treasury issues, fixed- or floating-rate Government securities, Treasury bills, in secondary or primary market bonds in the form of sovereign or corporate debt. The sensitivity range will be between 0 and 4.

**UCITS, AIFs and investment funds:** investment ranging between 0 and 10% of net assets. As part of its cash management and/or access to complementary asset management techniques or in order to improve the risk-return profile of the portfolio, the Fund may be invested in units or shares of French or foreign UCITS or investment funds, whether or not managed by the management company, that meet the conditions of Article R. 214-13 of the French Monetary and Financial Code.

**Financial contracts:** 0 to 200% of the Fund's net assets, capped at once the net assets. For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed income) or on equity indices, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. These instruments will also be used for purposes of exposure and/or hedging in foreign exchange markets, on an entirely discretionary basis, depending on the expectations of the fund management team.

Net income and net realised capital gains are reinvested.

The Net Asset Value (NAV) is calculated each day.

Orders for subscription and redemption, which are in thousandths of units, are received each day before 11 a.m. CEST at CACEIS Bank and executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

The recommended investment period is more than two years.

**Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund.

The level of the risk indicator in the past does not serve as a guide to its level in the future.

The lowest category does not mean "risk-free".

#### MATERIAL RISKS TO THE FUND THAT ARE NOT TAKEN INTO ACCOUNT IN THE INDICATOR:

This Fund is classified as risk **category 4**; the risk level assigned to this Fund is due mainly to its exposure to fixed-income markets due to the risk of impairment related to changes in interest rates; and to its exposure to equity markets.

- Credit risk: If an issuer defaults or becomes less creditworthy, for instance if its credit rating is downgraded by a rating agency, the value of the bonds in which the Fund is invested will also fall.
  - Counterparty risk: Default of a market participant, preventing it from fulfilling its commitments in regard to the Fund.
  - Liquidity risk: The Fund may be exposed to the liquidity risk inherent in small and medium sized companies.
- The occurrence of any of these risks may have a negative impact on the net asset value of the Fund.



## CHARGES FOR THIS FUND

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.25% (1)
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i>  <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

This is the maximum that might be taken out of your money before it is invested. Investors may pay less in certain cases. Investors may ascertain the actual amount of entry and exit charges from their financial advisor or distributor.

(1) As the unit class has not yet completed its first financial year, only the maximum management fees are mentioned. These charges will be published in this document after the end of the Fund's first financial year. This percentage may vary from one year to another.

### Ongoing charges do not include:

- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

(\* ) The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website [www.banque-france.fr](http://www.banque-france.fr).

For more information about charges, please refer to the section entitled "Charges and Fees" in the Fund's prospectus, which is available on the company's website [www.varennecapital.com](http://www.varennecapital.com).

## PAST PERFORMANCE – UNIT CLASS P-EUR

Launched in 2017.  
 Performance calculated over less than one year cannot not be shown under any circumstances.

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class P-EUR was launched on 22 March 2017.
- The currency in which the past performance will be calculated is the euro.
- The first full financial year will end on 31 December 2018.

The diversified, flexible and fully discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The performance of this Fund may only be usefully compared to the *ex-post* performance of the 12-month rolling average of Capitalised EONIA +300 basis points.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

**Where and how to obtain information about the Fund (prospectus/annual and semi-annual report) or about the compensation policy of the Management Company:** investors can obtain more information about the Fund upon written request to:

**VARENNE CAPITAL PARTNERS**  
 42 avenue Montaigne  
 75008 Paris – France

**Where and how to obtain other useful information including Net Asset Values:** the Net Asset Value is available free of charge in French on the website [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** Depending on your tax status, any capital gains and income resulting from the ownership of units in the Fund may be subject to tax. We recommend that you obtain further information on this matter from the Fund's marketer and/or from your financial adviser.

Varenne Capital Partners may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

This Fund is authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

Varenne Capital Partners is a portfolio management company authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

The Fund offers other units for investor categories described in its Prospectus.

This key investor information is accurate as at 01.08.2017.

## Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

**VARENNE GLOBAL - Unit class P-CHF - ISIN code: FR0013247012**  
**Management company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

**AMF Classification:** "Diversified" Fund

**Investment objective:** The aim of the Fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the Fund may be compared *ex post* with the annualised performance of Capitalised EONIA (12-month rolling average) + 300 basis points.

**Main financial asset classes:**

The Fund's investment strategy is based on a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure. There is consequently no particular preference for any geographical area or sector. Similarly, no priority is given to investment in any particular asset class. Investment decisions are determined by the opportunities presented by the markets as analysed by the fund management team and its expectations regarding market developments.

Thus, depending on market conditions, the Fund may invest without limitation in the following financial assets from any geographical area and sector:

**Equities:** exposure ranging between 0% and 200% of net assets. The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities. In particular, the Fund may invest in the shares of small and mid-cap companies.

**Fixed income:** investment between 0% and 100% of net assets. Exposure to these assets will remain between 0 and 2 times the net assets of the Fund due to the use of gearing and/or forward financial contracts. The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB by the rating agencies, according to the Standard & Poor's scale). For fixed-income securities, the Management Company conducts a proprietary credit analysis of securities upon acquisition and during the life of those securities. It does not base itself exclusively on agency ratings and has its own procedures in place to make investment and divestment decisions. The Management Company does not automatically base itself on these ratings. Rather, it gives precedence to its own credit analysis to assess the credit quality of these assets and decide, where appropriate, to downgrade their credit score. Investment may be made in Treasury issues, fixed- or floating-rate Government securities, Treasury bills,

in secondary or primary market bonds in the form of sovereign or corporate debt. The sensitivity range will be between 0 and 4.

The asset manager will systematically and fully hedge the unit class against EUR/CHF currency risk.

UCITS, AIFs and investment funds: investment ranging between 0 and 10% of net assets. As part of its cash management and/or access to complementary asset management techniques or in order to improve the risk-return profile of the portfolio, the Fund may be invested in units or shares of French or foreign UCITS or investment funds, whether or not managed by the management company, that meet the conditions of Article R. 214-13 of the French Monetary and Financial Code.

**Financial contracts:** 0 to 200% of the Fund's net assets, capped at once the net assets. For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed income) or on equity indices, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. These instruments will also be used for purposes of exposure and/or hedging in foreign exchange markets, on an entirely discretionary basis, depending on the expectations of the fund management team.

Net income and net realised capital gains are reinvested.

The Net Asset Value (NAV) is calculated each day.

Orders for subscription and redemption, which are in thousandths of units, are received each day before 11 a.m. CEST at CACEIS Bank and executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

The recommended investment period is more than two years.

**Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The level of the risk indicator in the past does not serve as a guide to its level in the future. The lowest category does not mean "risk-free".

**This Fund is classified as risk category 4;** this risk level is due mainly to its exposure to fixed-income markets due to the risk of impairment related to changes in interest rates; and to its exposure to equity markets.

**MATERIAL RISKS TO THE FUND THAT ARE NOT TAKEN INTO ACCOUNT IN THE INDICATOR:**

- Credit risk: If an issuer defaults or becomes less creditworthy, for instance if its credit rating is downgraded by a rating agency, the value of the bonds in which the Fund is invested will also fall.
  - Counterparty risk: Default of a market participant, preventing it from fulfilling its commitments in regard to the Fund.
  - Liquidity risk: The Fund may be exposed to the liquidity risk inherent in small and medium sized companies.
- The occurrence of any of these risks may have a negative impact on the net asset value of the Fund.

## CHARGES FOR THIS FUND

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.25% (1)
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points</p>

This is the maximum that might be taken out of your money before it is invested. Investors may pay less in certain cases. Investors may ascertain the actual amount of entry and exit charges from their financial advisor or distributor.

(1) As the unit class has not yet completed its first financial year, only the maximum management fees are mentioned. These charges will be published in this document after the end of the Fund's first financial year. This percentage may vary from one year to another.

### Ongoing charges do not include:

- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

(\*) The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website [www.banque-france.fr](http://www.banque-france.fr).

For more information about charges, please refer to the section entitled "Charges and Fees" in the Fund's prospectus, which is available on the company's website [www.varennecapital.com](http://www.varennecapital.com).

## PAST PERFORMANCE – UNIT CLASS P-CHF

Launched in 2017.  
Performance calculated over less than one year cannot not be shown under any circumstances.

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class P-CHF was launched on 22 March 2017.
- The currency in which the past performance will be calculated is the Swiss franc.
- The first full financial year will end on 31 December 2018.

The diversified, flexible and fully discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The performance of this Fund may only be usefully compared to the *ex-post* performance of the 12-month rolling average of Capitalised EONIA +300 basis points.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

**Where and how to obtain information about the Fund (prospectus/annual and semi-annual report) or about the compensation policy of the Management Company:** investors can obtain more information about the Fund upon written request to:

**VARENNE CAPITAL PARTNERS**  
42 avenue Montaigne  
75008 Paris – France

**Where and how to obtain other useful information including Net Asset Values:** the Net Asset Value is available free of charge in French on the website [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** Depending on your tax status, any capital gains and income resulting from the ownership of units in the Fund may be subject to tax. We recommend that you obtain further information on this matter from the Fund's marketer and/or from your financial adviser.

Varenne Capital Partners may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

This Fund is authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

Varenne Capital Partners is a portfolio management company authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

The Fund offers other units for investor categories described in its Prospectus.

This key investor information is accurate as at 01.08.2017.

## Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

**VARENNE GLOBAL - Unit class P-USD - ISIN code: FR0013247020**

**Management company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

**AMF Classification:** "Diversified" Fund

**Investment objective:** The aim of the Fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the Fund may be compared *ex post* with the annualised performance of Capitalised EONIA (12-month rolling average) + 300 basis points.

**Main financial asset classes:**

The Fund's investment strategy is based on a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure. There is consequently no particular preference for any geographical area or sector. Similarly, no priority is given to investment in any particular asset class. Investment decisions are determined by the opportunities presented by the markets as analysed by the fund management team and its expectations regarding market developments.

Thus, depending on market conditions, the Fund may invest without limitation in the following financial assets from any geographical area and sector:

**Equities:** exposure ranging between 0% and 200% of net assets. The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities. In particular, the Fund may invest in the shares of small and mid-cap companies.

**Fixed income:** investment between 0% and 100% of net assets. Exposure to these assets will remain between 0 and 2 times the net assets of the Fund due to the use of gearing and/or forward financial contracts. The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB by the rating agencies, according to the Standard & Poor's scale). For fixed-income securities, the Management Company conducts a proprietary credit analysis of securities upon acquisition and during the life of those securities. It does not base itself exclusively on agency ratings and has its own procedures in place to make investment and divestment decisions. The Management Company does not automatically base itself on these ratings. Rather, it gives precedence to its own credit analysis to assess the credit quality of these assets and decide, where appropriate, to downgrade their credit score.

Investment may be made in Treasury issues, fixed- or floating-rate

Government securities, Treasury bills, in secondary or primary market bonds in the form of sovereign or corporate debt. The sensitivity range will be between 0 and 4.

The asset manager will systematically and fully hedge the unit class against EUR/USD currency risk.

**UCITS, AIFs and investment funds:** investment ranging between 0 and 10% of net assets. As part of its cash management and/or access to complementary asset management techniques or in order to improve the risk-return profile of the portfolio, the Fund may be invested in units or shares of French or foreign UCITS or investment funds, whether or not managed by the management company, that meet the conditions of Article R. 214-13 of the French Monetary and Financial Code.

**Financial contracts:** 0 to 200% of the Fund's net assets, capped at once the net assets. For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed income) or on equity indices, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. These instruments will also be used for purposes of exposure and/or hedging in foreign exchange markets, on an entirely discretionary basis, depending on the expectations of the fund management team.

Net income and net realised capital gains are reinvested.

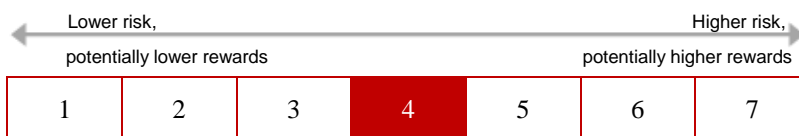
The Net Asset Value (NAV) is calculated each day.

Orders for subscription and redemption, which are in thousandths of units, are received each day before 11 a.m. CEST at CACEIS Bank and executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

The recommended investment period is more than two years.

**Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund.

The level of the risk indicator in the past does not serve as a guide to its level in the future.

The lowest category does not mean "risk-free".

This Fund is classified as risk **category 4**; the risk level assigned to this Fund is due mainly to its exposure to fixed-income markets due to the risk of impairment related to changes in interest rates; and to its exposure to equity markets.

#### **MATERIAL RISKS TO THE FUND THAT ARE NOT TAKEN INTO ACCOUNT IN THE INDICATOR:**

- Credit risk: If an issuer defaults or becomes less creditworthy, for instance if its credit rating is downgraded by a rating agency, the value of the bonds in which the Fund is invested will also fall.
- Counterparty risk: Default of a market participant, preventing it from fulfilling its commitments in regard to the Fund.
- Liquidity risk: The Fund may be exposed to the liquidity risk inherent in small and medium sized companies.

The occurrence of any of these risks may have a negative impact on the net asset value of the Fund.

## CHARGES FOR THIS FUND

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.25% (1)
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

This is the maximum that might be taken out of your money before it is invested. Investors may pay less in certain cases. Investors may ascertain the actual amount of entry and exit charges from their financial advisor or distributor.

(1) As the unit class has not yet completed its first financial year, only the maximum management fees are mentioned. These charges will be published in this document after the end of the Fund's first financial year. This percentage may vary from one year to another.

### Ongoing charges do not include:

- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

(\*) The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website [www.banque-france.fr](http://www.banque-france.fr).

For more information about charges, please refer to the section entitled "Charges and Fees" in the Fund's prospectus, which is available on the company's website [www.varennecapital.com](http://www.varennecapital.com).

## PAST PERFORMANCE – UNIT CLASS P-USD

Launched in 2017.  
Performance calculated over less than one year cannot not be shown under any circumstances.

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class P-USD was launched on 22 March 2017.
- The currency in which the past performance will be calculated is the dollar.
- The first full financial year will end on 31 December 2018.

The diversified, flexible and fully discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The performance of this Fund may only be usefully compared to the *ex-post* performance of the 12-month rolling average of Capitalised EONIA +300 basis points.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

**Where and how to obtain information about the Fund (prospectus/annual and semi-annual report) or about the compensation policy of the Management Company:** investors can obtain more information about the Fund upon written request to:

**VARENNE CAPITAL PARTNERS**  
42 avenue Montaigne  
75008 Paris – France

**Where and how to obtain other useful information including Net Asset Values:** the Net Asset Value is available free of charge in French on the website [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** Depending on your tax status, any capital gains and income resulting from the ownership of units in the Fund may be subject to tax. We recommend that you obtain further information on this matter from the Fund's marketer and/or from your financial adviser.

Varenne Capital Partners may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

This Fund is authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

Varenne Capital Partners is a portfolio management company authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

The Fund offers other units for investor categories described in its Prospectus.

This key investor information is accurate as at 01.08.2017.

## Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

**VARENNE GLOBAL – Unit class I-EUR - ISIN code: FR0013073053**

**Management company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

**AMF Classification:** "Diversified" Fund.

**Investment objective:** The aim of the fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the fund may be compared *ex post* with the annualised performance of Capitalised EONIA (12-month rolling average) + 300 basis points.

**Main financial asset classes:**

The Fund's investment strategy is based on a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure. There is consequently no particular preference for any geographical area or sector. Similarly, no priority is given to investment in any particular asset class. Investment decisions are determined by the opportunities presented by the markets as analysed by the fund management team and its expectations regarding market developments.

Thus, depending on market conditions, the Fund may invest without limitation in the following financial assets from any geographical area and sector:

**Equities:** exposure ranging between 0% and 200% of net assets. The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities. In particular, the Fund may invest in the shares of small and mid-cap companies.

**Fixed-income:** investment between 0% and 100% of net assets. Exposure to these assets will remain between 0 and 2 times the net assets of the Fund due to the use of gearing and/or forward financial contracts. The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB by the rating agencies, according to the Standard & Poor's scale). For fixed-income securities, the Management Company conducts a proprietary credit analysis of securities upon acquisition and during the life of those securities. It does not base itself exclusively on agency ratings and has its own procedures in place to make investment and divestment decisions. The Management Company does not automatically base itself on these ratings. Rather, it gives precedence to its own credit analysis to assess the credit quality of these assets and decide, where appropriate, to downgrade their credit score.

Investment may be made in Treasury issues, fixed- or floating-rate Government securities, Treasury bills, in secondary or primary market bonds in the form of sovereign or corporate debt. The sensitivity range will be between 0 and 4.

UCITS, AIFs and investment funds: investment between 0% and 10% of net assets. As part of its cash management and/or access to complementary asset management techniques or in order to improve the risk-return profile of the portfolio, the Fund may be invested in units or shares of French or foreign UCITS or investment funds, whether or not managed by the management company, that meet the conditions of Article R. 214-13 of the French Monetary and Financial Code.

Financial contracts: 0 to 200% of the Fund's net assets, capped at once the net assets. For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed income) or on equity indices, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. These instruments will also be used for purposes of exposure and/or hedging in foreign exchange markets, on an entirely discretionary basis, depending on the expectations of the fund management team.

Net income and net realised capital gains are reinvested.

The Net Asset Value (NAV) is calculated each day.

Orders for subscription and redemption, which are in thousandths of units, are received each day before 11 a.m. CEST at CACEIS Bank and executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

The recommended investment period is more than two years.

**Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The level of the risk indicator in the past does not serve as a guide to its level in the future. The lowest category does not mean "risk-free".

This Fund is classified as risk **category 4**; the risk level assigned to this Fund is due mainly to its exposure to fixed-income markets due to the risk of impairment related to changes in interest rates; and to its exposure to equity markets.

**MATERIAL RISKS TO THE FUND THAT ARE NOT TAKEN INTO ACCOUNT IN THE INDICATOR:**

- Credit risk: If an issuer defaults or becomes less creditworthy, for instance if its credit rating is downgraded by a rating agency, the value of the bonds in which the Fund is invested will also fall.
- Counterparty risk: Default of a market participant, preventing it from fulfilling its commitments in regard to the Fund.
- Liquidity risk: The Fund may be exposed to the liquidity risk inherent in small and medium sized companies.

The occurrence of any of these risks may have a negative impact on the net asset value of the Fund.

## CHARGES FOR THIS FUND

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.12%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

This is the maximum that might be taken out of your money before it is invested. Investors may pay less in certain cases. Investors may ascertain the actual amount of entry and exit charges from their financial advisor or distributor.

The ongoing charges and the performance fee are based on the figures from the previous financial year ending on 31 December 2016.

This percentage may vary from one year to another.

### Ongoing charges do not include:

- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

(\*) The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website [www.banque-france.fr](http://www.banque-france.fr).

For more information about charges, please refer to the section entitled "Charges and Fees" in the Fund's prospectus, which is available on the company's website [www.varennecapital.com](http://www.varennecapital.com).

## PAST PERFORMANCE - UNIT CLASS I-EUR

Launched in 2016.  
Performance calculated over less than one year cannot not be shown under any circumstances.

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class I-EUR was launched on 24 December 2015.
- The currency in which the past performance has been calculated is the euro.
- The first full financial year will end on 31 December 2017.

The diversified, flexible and fully discretionary nature of the Fund makes an *ex ante* comparison with a benchmark index irrelevant. The performance of this Fund may only be usefully compared to the *ex post* performance of the 12-month rolling average of Capitalised EONIA +300 basis points.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

**Where and how to obtain information about the Fund (prospectus/annual and semi-annual report) or about the compensation policy of the Management Company:** investors can obtain more information about the Fund upon written request to:

**VARENNE CAPITAL PARTNERS**  
42 avenue Montaigne  
75008 Paris – France

**Where and how to obtain other useful information including Net Asset Values:** the Net Asset Value is available free of charge in French on the website [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** Depending on your tax status, any capital gains and income resulting from the ownership of units in the Fund may be subject to tax. We recommend that you obtain further information on this matter from the Fund's marketer and/or from your financial adviser.

Varenne Capital Partners may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

This Fund is authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

Varenne Capital Partners is a portfolio management company authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF).

The Fund offers other units for investor categories described in its Prospectus.

This key investor information is accurate as at 01.08.2017.

# VARENNE GLOBAL

## Prospectus

### I - GENERAL CHARACTERISTICS

#### STRUCTURE OF THE FUND

- **Name:** VARENNE GLOBAL
- **Legal structure:** Open-ended mutual Fund governed by French law
- **Launch date and intended term:** The Fund was launched on 31 January 2014 for a term of 99 years.
- **Fund overview:**

ISIN code	Allocation of distributable amounts	Base currency	Target investors	Minimum initial subscription amount
Unit class A-EUR: FR0011631035	Net income: accumulation  Net realised capital gains: accumulation	Euro	All subscribers	1 unit (Original value: 125 euros)
Unit class A-CHF: FR0012055937		Swiss franc	All investors who wish to benefit from a systematic and complete hedge in CHF against EUR/CHF currency risk.	1 unit (Original value: 150 Swiss francs)
Unit class A-USD: FR0012749380		Dollar	All investors who wish to benefit from a systematic and complete hedge in USD against EUR/USD currency risk.	1 unit (Original value: 200 dollars)
Unit class P-EUR: FR0013247087		Euro	All investors, but mainly managers of unit-linked insurance contracts and investment management professionals.	1 unit (Original value: 100 euros)
Unit class P-CHF: FR0013247012		Swiss franc	All investors, but mainly managers of unit-linked insurance contracts and investment management professionals who wish to benefit from a systematic and complete hedge in CHF against EUR/CHF currency risk.	1 unit (Original value: 100 Swiss francs)
Unit class P-USD: FR0013247020		Dollar	All investors, but mainly managers of unit-linked insurance contracts and investment management professionals who wish to benefit from a systematic and complete hedge in USD against EUR/USD currency risk.	1 unit (Original value: 100 dollars)
Unit class I-EUR: FR0013073053		Euro	All subscribers	Initial subscription: 3,000,000 euros (Original value: 1,000 euros)  Subsequent subscription: 1 unit



□ **Details of the place where the latest annual reports and the breakdown of the assets can be obtained:**

The latest annual reports and the breakdown of the assets are sent within eight business days upon written request by unit holders to:

**VARENNE CAPITAL PARTNERS**

42 avenue Montaigne  
75008 Paris - France

E-mail: [contact@varennecapital.com](mailto:contact@varennecapital.com)

## II - DIRECTORY

□ **Management Company:**

The Management Company was granted general authorisation by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF) on 28 April 2006 under number GP 06-000004 as a portfolio management company:

**VARENNE CAPITAL PARTNERS**

42 avenue Montaigne  
75008 Paris – France

□ **Custodian and liabilities manager:**

**CACEIS Bank, Société Anonyme**

Registered office: 1-3 place Valhubert, 75013 Paris – France

Principal activity: Credit institution and investment services provider approved by the Credit Institutions and Investment Firms Committee (*Comité des Etablissements de Crédits et des Entreprises d'Investissement* - CECEI) on 1 April 2005.

The depositary role covers those tasks stipulated by applicable regulations, i.e., custody, supervision of decisions made by the investment management company, and monitoring of the fund's cash flows.

The depositary is independent of the investment management company.

A description of delegated custodian roles, a list of delegates and sub-delegates of CACEIS Bank, and information on conflicts of interest that may result from these delegations are available on CACEIS's website: [www.caceis.com](http://www.caceis.com).

Updated information is available to investor upon request.

□ **Institution appointed by the Management Company to centralise subscription and redemption orders:**

**CACEIS Bank, Société Anonyme,**

Registered office: 1-3 place Valhubert, 75013 Paris – France

A credit institution and investment services provider approved by the CECEI on 1 April 2005.

□ **Statutory Auditors:**

**RSM**

26, rue Cambacérès  
75008 Paris – France  
Represented by Fabien CREGUT

□ **Marketer:**

**VARENNE CAPITAL PARTNERS**

42 avenue Montaigne  
75008 Paris - France

□ **Appointee for administrative and accounting management:**

**CACEIS Fund Administration, Société Anonyme,**

Registered office: 1-3, Place Valhubert - 75013 Paris - France

CACEIS Fund Administration is the CREDIT AGRICOLE group entity that specialises in fund administration and accounting for clients within and outside the group.

CACEIS Fund Administration has therefore been appointed by the Management Company as accounting sub-manager, to carry out the Fund's valuation and accounting administration. CACEIS Fund Administration is responsible for asset valuations, calculating the Fund's Net Asset Value and preparing periodic documents.

### III - OPERATING AND MANAGEMENT PROCEDURES

#### GENERAL CHARACTERISTICS

□ **Characteristics of the units:**

- **Nature of the rights attached to the units:** each unit holder is entitled to a right of joint ownership over the Funds' assets, which is proportional to the number of units held.
- **Entry in a register or liabilities accounting procedure:** liabilities are held by the custodian. The units of the Fund are registered with Euroclear.
- **Voting rights:** as the Fund is a joint ownership of transferable securities, no voting rights are attached to the units in the Fund, and decisions are taken by the Management Company.
- **Form of units:** bearer units.
- **Fractions of units:** unit classes can be split into thousandths of units.

□ **Financial year-end:** Last trading day of December each year in Paris, France.

□ **Taxation:**

Due to its joint ownership structure, the Fund is not subject to corporate tax in France. Moreover, the law provides for a capital gains tax exemption on the sale of securities realised as part of the Fund's asset management, provided that no natural person, acting directly or through a nominee, does not own more than 10% of the units (Article 150-0 A, III-2 of the French General Tax Code).

According to the principle of transparency, the tax authorities deem the unit holder to be a direct owner of a fraction of the financial instruments and cash held in the Fund.

As the Fund offers only accumulation units, in principle the taxation applicable is that of capital gains on securities in the country of residence of the unit holder, in accordance with the appropriate rules to their situation (natural person, legal entity subject to corporate tax, or other cases). The rules applicable to unit holders residing in France are laid down in the French General Tax Code.

Unit holders of the Fund are generally advised to contact their tax advisor or their account manager in order to determine the tax rules applicable to their specific situation. Depending on the case, their advisors may charge for this assessment, which under no circumstances shall be paid for by the Fund or the Management Company.

#### SPECIFIC PROVISIONS

□ **UCITS, AIFs and investment funds**

The Fund may invest up to 10% of its net assets in the securities of French or foreign UCITS, which may invest no more than 10% of their assets in units of other UCITS, AIFs or investment funds.

The Fund may invest up to 10% of its net assets in AIF units or foreign investment fund units as long as these AIFs or foreign investment funds meet the four criteria stated in Article R. 214-13 of the French Monetary and Financial Code.

□ **ISIN Codes:**

Unit class A-EUR	FR0011631035
Unit class A-CHF	FR0012055937

Unit class A-USD	FR0012749380
Unit class P-EUR	FR0013247087
Unit class P-USD	FR0013247020
Unit class P-CHF	FR0013247012
Unit class I-EUR	FR0013073053

□ **Classification:** Diversified UCITS

□ **Investment objective:**

The aim of the Fund is to seek, over the recommended investment horizon, an annualised outperformance net of management fees of the 12-month rolling average of Capitalised EONIA +300 basis points, by implementing a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure, based on the market expectations of the fund manager. Management of the assets is not connected to any benchmark index; however, the performance of the Fund may be compared *ex-post* with the annualised performance of Capitalised EONIA (12-month rolling average) +300 basis points.

□ **Benchmark index:**

The diversified, flexible and fully discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. However, the performance of the Fund may be compared *ex-post* with the performance of Capitalised EONIA (12-month rolling average) +300 basis points.

The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website <http://www.banque-france.fr>.

□ **Investment strategy:**

The Fund's investment strategy is based on a fully discretionary and unconstrained approach in terms of asset classes, regional and business sector exposure. There is consequently no particular preference for any geographical area or sector. Similarly, no priority is given to investment in any particular asset class. Investment decisions are determined by the opportunities presented by the markets as analysed by the fund management team and its expectations regarding market developments.

The portfolio manager will hedge the unit classes A-CHF and P-CHF in order to ensure a systematic and total hedge against EUR/CHF currency risk. The portfolio manager will hedge the unit classes A-USD and P-USD in order to ensure a systematic and total hedge against EUR/USD currency risk.

Thus, depending on market conditions, the Fund may invest without limitation in the following financial assets from any geographical area and sector:

- **Equities**

Exposure to Units or other securities giving access to issuers' capital can vary between 0% and 200% of the net assets of the Fund.

The management strategy is based on an active selection of long or long-short positions in arbitrage on mergers and acquisitions and capital restructurings (non-directional "Special Situations") or long or short positions depending on the capitalisation of the company relative to the estimate of the company's value as calculated by the fund manager. This strategy may include a regular turnover of the assets of the Fund, which may entail costs related to the purchase and sale of securities.

Special Situations primarily involve arbitrage on mergers and acquisitions and capital restructurings without directional risk. The fund management team may also invest in any other type of transaction that might help achieve the investment objective. The assets involved are mainly equities, but may also include convertible bonds and/or derivatives.

Arbitrage on mergers and acquisitions is a strategy that consists of taking a long or short position in the securities of companies involved in mergers and acquisitions in order to harness the differences that may exist between the listed price of the target and that corresponding to the terms of the offer. Depending on the nature of the offer, the arbitrageur will initiate a long position in the target company only (cash offer), or a long position in the target company alongside a short position in the acquiring company (exchange offer).

Arbitrage on capital restructurings includes various strategies:

- Arbitrage on preferential subscription rights is a strategy that consists of buying or selling subscription rights and simultaneously taking an inverse position in the securities underlying the subscription in proportions corresponding to the terms of the capital increase. Operational risk is the only risk factor.
- Arbitrage on capital reduction by cancellation of Units is a strategy consisting of holding a long position in the Units of the company that is to reduce its capital while holding a short position in the same company in a proportion making it possible to take advantage of the payment made in exchange for the cancellation of units without exposure to market fluctuations. Operational risk is the only risk factor.

Investment management decisions are discretionary and are based on fully proprietary processes and analysis.

The process enables the team to be on a constant look-out for opportunities. It also allows the real-time monitoring of transactions and automated portfolio construction in line with an in-house allocation model.

Special Situations can cover all sectors, all capitalisations, and all geographic areas.

In the case of long or short positions depending on the company valuation compared with the estimate made by the fund manager, a fundamental approach based mainly on the analysis for each company, of its strategy, the growth potential for its business, the visibility of future earnings and its balance sheet structure, as well as the potential for price gains in the medium term, are factors that are given priority in stock selection. In addition, a qualitative evaluation is made of the management of the companies.

Investment opportunities likely to achieve the investment objective will be sought on a discretionary basis without constraints of size (small, medium or large caps), sector, or geographical location, and may be made in high-volume stocks, through the use of "Contract For Difference" (CFD) or derivatives (e.g., options, futures, forwards) issued on regulated markets and/or by selected counterparties approved by the Management Company.

- **Debt securities and money market instruments**

Exposure to debt securities and money market instruments may vary between 0% and 200% of the Fund's net assets.

The fund manager may choose to take positions based on his expectations on investment grade debt securities (rated AAA to BBB- by the rating agencies, according to the Standard & Poor's scale). Investment may be made in Treasury issues, fixed- or floating-rate Government securities, Treasury bills, in secondary or primary market bonds, in the form of sovereign or corporate debt.

The Management Company does not rely solely or automatically on ratings supplied by credit rating agencies, preferring to use its own credit risk analysis to assess the credit quality of the assets and to select the securities it buys.

The sensitivity range will be between 0 and 4.

- **UCITS, AIFs and investment funds**

The UCITS, AIFs and investment fund invested portion of the Fund represents up to 10% of net assets under the conditions specified below.

The Fund may invest up to 10% of its assets in other UCITS, AIFs or foreign investment funds under the conditions specified below.

The UCITS, the AIFs and the foreign investment funds selected may be managed by the Management Company or any outside company.

- **Financial contracts**

Exposure to financial contracts can vary between 0% and 200% of the Fund's net assets.

For purposes of hedging and/or exposure, the fund manager may use forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be obtained through long or short positions on underlying assets correlated or uncorrelated to the assets making up the portfolio (equities, fixed-income) or on indices on equities, debt securities or commodities if they meet the three criteria set out in Article R.214-16 of the French Monetary and Financial Code. Hedging may also be effected as part of the fund manager's expectations about the evolution of the direct or inverse correlation between different asset classes such as, for example, the historical correlation between stocks and diversified commodity indices. Use of these instruments will also be made for purposes of exposure to and/or hedging of foreign exchange markets, on an entirely discretionary basis, according to the expectations of the fund management team.

□ **Assets used:**

- **Equities**

The Fund will invest between 0 and 100% of its net assets in units or other securities giving access to the capital of issuers that either have their headquarters in a Member-State of the European Union or outside it, with no preference being given to any geographical area. Eligible securities include stocks traded on any market, relating to any business sector and issued by companies of any market capitalisation size. In particular, the Fund may invest in equities of small and mid cap companies.

Possible gearing: up to 100% of the net assets.

- **Debt securities and money market instruments**

The Fund may invest between 0% and 100% of net assets in investment grade debt securities (rated AAA to BBB- by the rating agencies, according to the Standard & Poor's scale) and in money market instruments and French and foreign bonds, which may cover all geographic areas and all sectors.

The Management Company does not rely solely or automatically on ratings supplied by credit rating agencies, preferring to use its own credit risk analysis to assess the credit quality of the assets and to select the securities it buys.

- **UCITS, AIFs and investment funds**

The Fund may invest up to 10% of its net assets in the securities of French or foreign UCITS, which may invest no more than 10% of their assets in units of other UCITS, AIFs or investment funds.

The Fund may invest up to 10% of its net assets in AIF units or foreign investment fund units as long as these AIFs or foreign investment funds meet the four criteria stated in Article R. 214-13 of the French Monetary and Financial Code.

- **Derivative instruments used:**

Types of markets in which the Fund invests:

- Regulated;
- Organised;
- OTC.

Risks that the fund manager seeks to mitigate:

- Equity (all caps);
- Interest rate;
- Currency;
- Indices;
- Commodities.

Types of operations (all operations are used for the sole purpose of achieving the investment objective):

- Hedging;
- Exposure;
- Arbitrage.

Types of instruments used:

- Futures;
- Forwards;
- Options;
- Swaps;
- Currency, equity index and interest-rate swaps;
- Total return swaps, with which the fund manager may enter into swaps of two combinations among the following types:
  - Fixed-rate,
  - Floating-rate,
  - Performance of one or more currencies, equities, equity indices or listed securities, UCIs or other investment funds,
  - Dividends (net or gross).
- Forward currency contracts;
- Credit derivatives: Credit Default Swap.

Derivatives strategies used to achieve the investment objective:

- Hedging of the entire portfolio or specific risks or securities;
- Replication of synthetic exposure to certain assets or risks;
- Increasing market exposure.

The hedging of foreign currency risk is not systematic and depends on the analysis made by the fund manager of perspectives on exchange rates, interest rates or equity markets. The manager will hedge the **CHF-denominated A-CHF and P-CHF units and the USD-denominated A-USD and P-USD units** systematically. To hedge these unit classes systematically and fully, the manager will use forward financial instruments; this hedging will be obtained through financial instruments that reduce to a minimum the impact of hedging transactions on the other unhedged unit class of the Fund. The instruments used will be mainly futures, forwards and options.

The use of derivatives may cause an overexposure of the Fund which shall not exceed 100% of net assets and a maximum gearing of 2.

- **Securities with embedded derivatives: None**

- **Deposits:** The Fund may place cash on deposit as part of its cash management.
- **Cash borrowings:** The Fund may borrow cash as part of its cash management within the limit of 10% of its assets.
- **Temporary purchases and sales of securities**

For the purposes of:

- Cash management,
- Hedging equity or interest-rate risk,
- Optimising the Fund's income.

The fund may use total return swaps and temporary securities acquisition or divestment transactions, particularly securities lending and repo and reverse repo operations. All these transactions shall have equities as underlying assets.

The fund shall be able to unwind the aforementioned transactions at any time.

The maximum proportion and the expected proportion of assets under management that may be subject to such transactions or contracts are provided in the table below:

Transactions	Repo	Reverse repo	Securities lending	Securities borrowing	Total return swaps
Maximum percentage of net assets	100%	100%	100%	None	100%
Expected percentage of net assets	below 10%	below 10%	below 10%	None	below 10%

These assets shall be kept in custody with the Depositary.

Additional information on fees can be found in the "Charges and Fees" section of the Prospectus.

- **Financial guarantees:**

When carrying out transactions on OTC financial derivatives and temporary purchases and sales of securities, the Fund may accept financial assets pledged as guarantees in order to reduce the Fund's exposure to counterparty risk.

The financial guarantees accepted will consist mainly of cash for OTC financial derivatives transactions and euro zone government bonds rated BBB or better. Counterparty risk in over-the-counter derivatives transactions cannot exceed 10% of the Fund's net assets if the counterparty is a credit institution as defined by applicable regulations, or 5% of its assets in other cases.

In this respect, any financial guarantee accepted in order to reduce counterparty risk shall meet the following requirements:

- it is given in the form of cash or euro zone government bonds rated BBB or better, or deemed equivalent by the Management Company. It is held by the Fund's Custodian, one of its agents or a third party under its control, or by any other custodian subject to prudential supervision having no link with the provider of the financial guarantees;
- they comply at all times, in accordance with the regulations in force, with the criteria in terms of liquidity, valuation, issuers' credit quality, correlation and diversification with exposure to a given issuer not exceeding 20% of the Fund's net assets.
- Cash collateral will mostly be placed on short term money market funds.

□ **Risk profile:**

Your money will mainly be invested in financial instruments selected by the Management Company. These instruments will be exposed to market movements and fluctuations.

The list of risk factors described below is not comprehensive. It is therefore up to each investor to assess the risk associated with such investments and in particular to ensure that this investment is appropriate for his/her personal situation. For this purpose, investors should, if necessary, use the services of a professional advisor.

- **Risk of capital loss:**  
As the Fund does not offer a capital guarantee or protection, investors may not recover the full amount of their initial capital investment.
- **Discretionary management risk:**  
The discretionary management style is based on an analysis and asset allocation model specific to the Fund. Therefore, the Fund may not be invested in the best-performing markets or securities at all times, as its performance is linked in part to the fund manager's ability to anticipate market movements.
- **Equity risk:**

This refers to the risk of a fall in the Units or indices to which the portfolio is exposed. During periods of declining equity markets, the net asset value of the Fund may also decline. Investing in small and mid-sized companies can cause a sharper and greater fall in the net asset value of the Fund. In addition, the Fund's performance will also depend on the individual price movements of the stocks selected by the fund manager. There is a risk that these changes may diverge significantly from market indices and/or that the fund manager does not select the best-performing stocks. We remind you that the fund manager has the latitude to seek an exposure to equity risk of up to 200% of the Fund's net assets.

- **Currency risk:**

The Fund may be invested in non-euro denominated instruments. Currency risk is the risk of capital loss when an investment is denominated in a currency other than the euro which depreciates against the euro on the foreign exchange market. At the sole discretion of the fund manager, the Fund may be exposed to currency risk or hedged wholly or partly by means of derivatives.

The portfolio manager will hedge the unit classes A-CHF, P-CHF, A-USD and P-USD in order to ensure a systematic and total hedge against their respective currency risk. The Fund may nonetheless be exposed to a residual currency risk (maximum 2% of assets).

- **Interest rate risk:**

The Fund may in whole or in part be invested in debt securities. Interest rate risk refers to the possibility that changes in interest rates may prove adverse and lead to a loss in the value of the debt securities held in the Fund's portfolio. A rise in interest rates causes a decline in the capital value of fixed rate bonds, and consequently a fall in the net asset value of the Fund. We remind you that the fund manager has the latitude to seek an exposure to interest rate risk of up to 200% of the Fund's net assets.

- **Credit risk:**

The Fund may be invested in corporate bonds and government bonds, and other debt securities. Any holding of debt securities exposes the Fund to the effects of a decline in the credit quality of private and public issuers (for example, if they are downgraded by the rating agencies). For example, the issuer of a bond may not be able to repay the borrowing and/or pay the scheduled interest on the contractual date, which may cause a decline in the value of the debt securities held by the portfolio and, consequently, a decrease in the Fund's net asset value.

- **Risk associated with investing in commodities futures:**

The Fund may be exposed to fluctuations in commodity prices through derivatives whose underlying asset is a financial index made up of commodities. It should be noted that an adverse movement in the commodities markets as well as external factors (storage conditions, weather conditions, etc.) could cause a decline in the net asset value of the Fund.

- **Counterparty risk:**

The Fund may suffer a loss in the event of default of a counterparty with which certain transactions have been performed, including the temporary purchase and sale of securities and OTC derivatives, which may cause a decline in the net asset value.

- **Overexposure risk:**

The Fund may use forward financial instruments (derivatives) to generate overexposure and thus cause the exposure of the Fund to exceed its net assets. Depending on the direction of the transactions carried out in the Fund, the effect of a decline (in the case of purchase of exposure) or an increase in the asset underlying the derivative (in the case of sale of exposure) can be accentuated and thus increase the fall in the Fund's net asset value.

- **Risk related to investments in emerging markets:**

Market risk can be amplified by any investments in emerging markets. Investing in emerging markets involves a greater degree of risk due to the political and economic situation of these countries that may affect the value of the Fund's investments. The conditions under which such markets operate and are supervised may deviate from the standards prevailing in the major international markets. In addition, an investment in these markets may involve counterparty risk, market volatility, delays in payment/delivery as well as possible reduced liquidity in some holdings of the Fund's portfolio.

□ **Subscribers and investor profile:**

**Unit classes A-EUR and I-EUR:**

All subscribers\*, physical persons and legal entities.

**Unit class A-CHF:**

All subscribers\*, physical persons and legal entities.

In order to ensure a systematic and total hedge against EUR/CHF currency risk, the unit class will be hedged.

**Unit class A-USD:**

All subscribers\*, physical persons and legal entities.

In order to ensure a systematic and total hedge against EUR/USD currency risk, the unit class will be hedged.

**Unit class P-EUR:** All subscribers\*. Units meant as a vehicle for unit-linked insurance contracts contracted with insurance companies, and investment management professionals (i.e., collective investments or private banking).

Unit class P-CHF: All subscribers\*. Units meant as a vehicle for unit-linked insurance contracts contracted with insurance companies, and investment management professionals (i.e., collective investments or private banking). In order to ensure a systematic and total hedge against EUR/CHF currency risk, the unit class will be hedged.

Unit class P-USD: All subscribers\*. Units meant as a vehicle for unit-linked insurance contracts contracted with insurance companies, and investment management professionals (i.e., collective investments or private banking). In order to ensure a systematic and total hedge against EUR/USD currency risk, the unit class will be hedged.

\*All subscribers, with the exception of any citizen of the United States of America (hereinafter "U.S. Person", such as that term is defined by:

- US "Regulation S" pursuant to the 1933 Act adopted by the US Securities and Exchange Commission (SEC) unless (i) the units have been registered or (ii) an exemption applies (with the prior consent of the Board of Directors of the Fund's Management Company) (the SEC's definition of "US Person(s)" is available at the address below: <http://www.sec.gov/rules/final/33-7505.htm>).

- The Foreign Account Tax Compliance Act (FATCA), defined in the intergovernmental agreement signed between France and the USA on 14 November 2013 (the FATCA definition of "U.S. Person(s)" is available at the address below: [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf)).

The Fund has not been and will not be registered pursuant to the U.S. Investment Company Act of 1940. Any sale or transfer of units in the USA or to a US Person may constitute an infringement of US law and shall require prior written consent from the Board of Directors of the Fund's Management Company.

The offer of units has been neither authorised nor prohibited by the SEC, a special commission of an American state or any other American regulatory authority, nor have said authorities expressed an opinion on the merits or otherwise of such offer or the accuracy or suitability of the documents in relation to this offer. Any statement to this effect would be illegal.

Persons wishing to purchase or subscribe units will have to certify in writing that they are not US Persons. Unit holders must inform the Management Company immediately if they become a US Person. Any unit holder who becomes a US Person will no longer be authorised to buy new units. The Management Company reserves the right to force the redemption of any unit held directly or indirectly by a US Person or through an Ineligible Intermediary, or if the holding of units by any person whatsoever is illegal or contrary to the Fund's interests.

Ineligible Intermediaries are:

- Financial Institutions that are not participating financial institutions within the meaning of the FATCA, and
- Passive Foreign Non-Financial Entities within the meaning of the FATCA.

Definitions of these concepts are available from the following website:

[http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf).

Ineligible Intermediaries cannot be entered on the Fund's register or on the transfer agent's register.

The Fund's FATCA status, as defined by the intergovernmental agreement signed by France and the USA on 14 November 2013: Compliant French non-declaring financial institution (appendix II, II, B of the aforementioned agreement; [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf)).

This Fund is for clients who wish to invest their capital and understand the risks inherent to this type of investment (see "Risk profile").

The amount that is reasonable to invest in the Fund will depend on the personal circumstances of the unit holder. To determine this, the unit holder should take into account not only his/her personal wealth and his/her current and future needs, but also his/her willingness to accept risk. It is highly recommended that subscribers diversify their investments so as not to be exposed solely to the risks of this Fund.

The recommended minimum investment period is 2 years.

#### **□ Procedures for the determination and allocation of amounts for distribution:**

In accordance with regulatory provisions, 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 UCI 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.

**Appropriation of net income:** all unit classes: accumulation



**Appropriation of net realised capital gains:** all unit classes: accumulation

□ **Characteristics of the units:**

Unit classes A-EUR, P-EUR and I-EUR:

The units are denominated in euro. They may be divided into thousandths of units.

Unit class A-CHF and P-CHF:

The units are denominated in Swiss franc. They may be divided into thousandths of units.

Unit class A-USD and P-USD:

The units are denominated in dollar. They may be divided into thousandths of units.

□ **Subscription and redemption procedures:**

Orders for subscription and redemption, which are in thousandths of units, are received every day before 11 a.m. at CACEIS BANK. They will be executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

Address of the institution appointed by the Management Company to receive subscriptions and redemptions:

CACEIS Bank  
1/3 place Valhubert  
75013 Paris – France

*Unit holders are reminded that orders sent to marketers other than the aforementioned institutions must allow for the fact that the cut-off time for pooling of orders applies to said marketers vis-à-vis CACEIS Bank.*

*Accordingly, these marketers may impose their own cut-off time, earlier in the day than that mentioned above, to allow time for their orders to be sent to CACEIS Bank.*

Frequency of net asset value calculations: Daily, with the exception of official public holidays in France and days on which the Paris stock-market is closed (official calendar of Euronext Paris).

□ **Charges and Fees:**

• **Entry and exit charges:**

Entry charges increase the subscription amount paid by the investor, while exit charges decrease the redemption proceeds paid to the investor. The commissions accruing to the Fund are used to offset the costs borne by the Fund when buying or selling the assets entrusted to it. Commissions not accruing to the Fund revert to the Management Company, or to the advisor, marketer, etc.

<b>Charges payable by the investor on subscriptions and redemptions</b>	<b>Base</b>	<b>Rate scale (all unit classes)</b>
Subscription fees not accruing to the Fund	Net asset value x num of units	2% maximum
Subscription fees accruing to the Fund	Net asset value x num of units	None
Redemption fees not accruing to the Fund	Net asset value x num of units	None
Redemption fees accruing to the Fund	Net asset value x num of units	None

• **Management fees:**

These charges cover all the costs invoiced directly to the Fund, except transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the custodian and the Management Company, in particular.

The following charges may be levied in addition to management fees:

- Transaction fees invoiced to the Fund,
- Performance fees. These reward the Management Company when the Fund exceeds its objectives. They are therefore invoiced to the Fund.

<b>Charges charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>

1	Management fees	Net assets	Unit classes A-EUR, A-CHF and A-USD: 1.95% incl. taxes Unit classes P-EUR, P-CHF and P-USD: 1.25% incl. taxes  Unit class I-EUR: 1.10% incl. taxes  (Maximum rate)
	Management fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers)	Net assets	
2	Maximum indirect fees (commissions and management fees)	Net assets	None
2	Transaction fees	Charged for each transaction	None
3	Performance fee**	Net assets	14.95% including taxes of the Fund's positive performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points

(\*) The EONIA (Euro Over Night Index Average) index is the result of the weighted average of all daily unsecured loan transactions made by the most active banking institutions in the Euro zone. It is calculated by the European Central Bank and published by the European Union Banking Federation. It is available on the website <http://www.banque-france.fr>.

(\*\*) **The performance fee** is a maximum of 14.95% including taxes of the Fund's positive performance in excess of the 12-month rolling average of Capitalised EONIA +300 basis points. Should the Fund achieve such an outperformance, provision for the variable fees is made at each determination of the net asset value. In the event that the Fund underperforms, the provision will be adjusted via a provision write-back, capped at the level of the existing allocation. The variable management fees are paid annually.

#### **Additional information concerning temporary purchases and sales of securities**

Income derived from temporary purchases and sales of securities, net of direct and indirect operating expenses, is paid to the Fund in full.

Operating expenses and charges are not invoiced to the Fund. They are borne by the Management Company.

The Management Company does not receive any fees in connection with these transactions.

#### **Financial intermediary selection procedure**

Any new business relationship requires the approval of the members of Varenne Capital Partners' management team. Furthermore, each counterparty is selected in accordance with a "best selection" policy and the criteria used in this counterparty selection procedure are, *inter alia*:

- cost,
- quality of order execution,
- quality of monitoring,
- technology used,
- ability to streamline the processing of transactions.

In addition, the Company ensures that the counterparties selected are rated investment grade by agencies such as Standard & Poor's and Fitch.

## **IV - COMMERCIAL INFORMATION**

#### **Redemption and reimbursement of units**

Orders for subscription and redemption, which are in thousandths of units, are received every day before 11 a.m. at CACEIS BANK. They will be executed the same day (D) on the basis of the next net asset value (price unknown). The NAV calculation is done on D+1 and settlement on D+2.

#### **Publication of information relating to the Fund**

The full Prospectus of the Fund, the latest annual reports and the breakdown of the assets, the Voting Policy and Proxy Voting Policy as well as the net asset value are available at the registered office of the Company and sent within 8 business days upon written request by the unit holder:

#### **VARENNE CAPITAL PARTNERS**

## The application of environmental, social and governance (ESG) criteria

Pursuant to the provisions of Article L.533-22-1 of the French Monetary and Financial Code, information on procedures for the application of environmental, social and governance criteria can be found on our website: [www.varennecapital.com](http://www.varennecapital.com).

## V - INVESTMENT RULES

The Regulatory ratios applicable to the Fund are those indicated in Article R. 214-21 *et seqq.* of the French Monetary and Financial Code.

## VI - GLOBAL RISK

Calculation of the global risk associated with financial contracts (including securities and money market instruments consisting of financial contracts): UCITS with simple management strategy based on the calculation of gearing ("commitment approach").

## VII - ASSET VALUATION AND ACCOUNTING RULES

The calculation of the net asset value per unit is subject to the following valuation rules:

- Transferable securities traded on a regulated French or foreign market are valued at their market price. The reference market value is calculated in accordance with the methods determined by the Management Company. These methods of application are specified in the notes to the financial statements.

However:

- Transferable securities whose prices have not been determined on the valuation day or whose prices have been adjusted are valued under the Management Company's responsibility at their foreseeable trading prices. These valuations in addition to relevant evidence shall be communicated to the auditor at the time of the audits;
- Transferable debt securities and similar securities that are not traded in large volumes are valued by means of an actuarial method; the reference rate used is that applied to issues of equivalent securities plus or minus, where applicable, a differential reflecting the issuer's specific characteristics. However, negotiable debt instruments with a residual duration of less than or equal to 3 months and assuming no specific sensitivity, may be valued according to the straight-line method. The methods of application of these rules are determined by the Management Company. They are specified in the notes to the financial statements;
- Units or units of UCITS, AIFs and foreign investment funds are valued at the last known net asset value;
- Securities that are not traded on a regulated market are valued under the Management Company's responsibility at their foreseeable trading prices;
- Securities subject to a temporary acquisition or sale agreement are valued in accordance with the regulations in force; the methods of application are determined by the Management Company and specified in the notes to the financial statements;
- Futures and options traded on a French or foreign regulated market are valued at their market value according to the methods determined by the Management Company. They are specified in the notes to the financial statements;
- Futures, options or swap transactions conducted on over-the-counter markets, approved by regulations applicable to UCITS, are valued at their market value or at a value estimated according to the methods determined by the Management Company and specified in the notes to the financial statements;

The financial statements of the Fund are presented in accordance with accounting rules prescribed by the regulations, and specifically with the chart of accounts for UCITS.

Income accounting: Revenues from fixed income investments are recognised on a cashed coupon basis.

## VIII – THE MANAGEMENT COMPANY'S COMPENSATION POLICY

The Management Company has set up a compensation policy whose purpose is to ensure proper risk management and to monitor staff members' risk behaviour.

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

## **IX – ADDITIONAL DISCLOSURES FOR SWITZERLAND**

### **1. Representative in Switzerland**

Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel.: + 41 22 705 11 78, Fax: + 41 22 705 11 79

### **2. Paying agent**

Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Tel.: + 41 22 317 27 27, Fax: + 41 22 317 27 37

### **3. Distribution of important documents**

The Prospectus and Key Investor Information documents for Switzerland, Fund rules, and annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

### **4. Publications**

1. Publications concerning foreign collective investment products are available in Switzerland on the Fundinfo website ([www.fundinfo.com](http://www.fundinfo.com)).
2. The issue and redemption prices and net asset values are published on the Fundinfo website ([www.fundinfo.com](http://www.fundinfo.com)) with the words “commissions not included” upon each issuance and each redemption of Fund units. Prices are published daily.

### **5. Payment of retrocessions and rebates**

#### **1. Retrocessions**

The Company and its agents may grant retrocessions. Retrocessions are considered payments and other pecuniary benefits from the Company and its agents to third parties authorised to distribute Fund units in and from Switzerland. The Company uses these payments to remunerate the third-parties concerned for all activities linked, directly or indirectly, to the purchase of units by an investor (including, but not limited to, promotional and communication campaigns).

In the event that a beneficiary of retrocessions grants these retrocessions to investors (fully or partially), the retrocessions are not to be considered as rebates. Beneficiaries of retrocessions shall guarantee transparent communication. They themselves shall inform investors free of charge of the amount of compensation that they may receive for distribution. Upon investors' request, they report the amounts actually received for the distribution of collective capital investments held by the investors concerned. The law of the Company's domicile does not have rules in addition to Swiss rules regarding retrocessions (as defined below) in Switzerland.

#### **2. Rebates**

The Company and its agents pay no rebates on distributions in or from Switzerland to reduce fees and costs supported by investors and paid to the Company. It is therefore not necessary to know if in the Company's domicile country there is a law that is more restrictive than Swiss law regarding the granting of rebates in Switzerland.

### **6. Place of execution and legal venue**

The place of execution and legal venue is at the representative's registered office for units distributed in or from Switzerland.

Update of the Prospectus: 01.08.2017

**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 Fund'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 euro; 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 422-16 of the AMF General Regulation (transformation of the fund).

**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. 214-8-7 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 under the terms and conditions set out in the Prospectus for each unit class.

#### **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 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 Fund, 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 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, with his agreement, shall act as liquidator; otherwise, the liquidator shall be appointed by the court at the request of any interested party. 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: 01.08.2017