

# VARENNE VALEUR

**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 VALEUR - Unit class A-EUR - ISIN code: FR0007080155**

**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

The Fund may be exposed to a currency risk that is not covered systematically by the asset manager.

Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The net asset value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	<b>1.80%</b>
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: <b>N/A</b></i></p> <p>This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.</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.

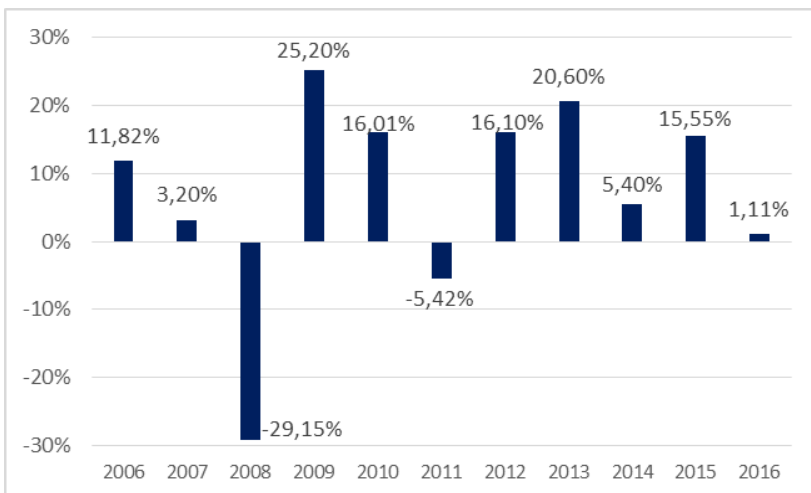
This percentage may vary from one year to another.

### 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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS A-EUR



Annual Performances of Varenne Valeur A-EUR

- Past performance is not a reliable indicator of future results.
- The performance of the Fund is calculated with net coupons reinvested.
- The Fund was authorised on 24 January 2003 and the unit class A-EUR was launched on 31 January 2003.
- The currency in which the past performance has been calculated is the euro.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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

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

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This key investor information is accurate as at 05.04.2017.

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**VARENNE VALEUR - Unit class A-EUR CHF - ISIN code: FR0011269638**

**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

The Fund may be exposed to a currency risk that is not covered systematically by the asset manager.

The portfolio manager will hedge the Fund in CHF, in order to ensure a systematic and total hedge against EUR/CHF currency risk.

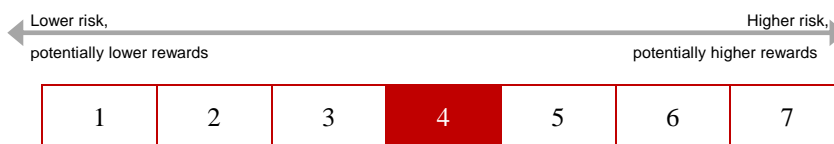
Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested.

The net asset value is calculated daily. Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.80%</b>
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: <b>0.15%</b></i></p> <p>This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.</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.

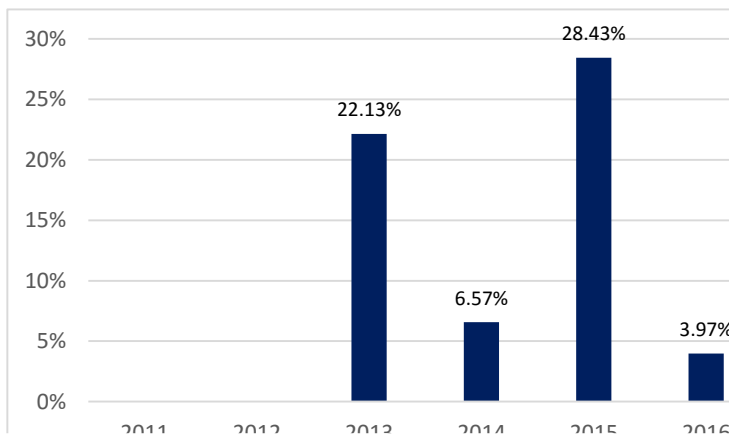
This percentage may vary from one year to another.

### 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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS A-EUR CHF



Annual Performances of Varenne Valeur A-EUR CHF

- Past performance is not a reliable indicator of future results.
- The performance of the Fund is calculated with net coupons reinvested.
- The Fund was authorised on 24 January 2003 and the unit class A-EUR CHF was launched on 15 June 2012.
- The currency in which the past performance has been calculated is the euro.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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.

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

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

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This key investor information is accurate as at 05.04.2017.

## Key Investor Information

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**VARENNE VALEUR - Unit class A-USD - ISIN code: FR0013192507**

**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. Investment may be made in Treasury issues, fixed- or floating-rate Government securities, and Treasury bills, in secondary or primary market bonds in the form of sovereign or corporate debt.

The Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

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

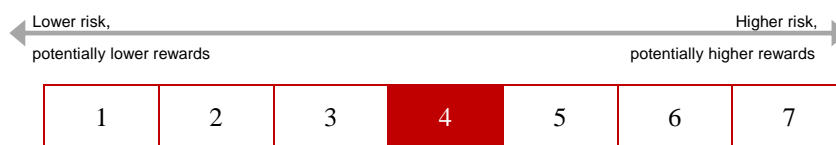
Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The net asset value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.80%</b>
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	<i>Amount of performance fee charged in the last financial year: N/A</i> This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.

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.

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For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS A-USD

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 results.
- The performance of the Fund is calculated with net coupons reinvested.
- The currency in which the performance will be calculated is the dollar.
- The Fund was authorised on 24 January 2003 and the unit class A-USD was launched on 19 July 2016.
- The first full financial year will end on 31 December 2017.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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**VARENNE VALEUR – Unit class P-EUR – ISIN code: FR0013217007**  
**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

The fund may be exposed to a currency risk that will not be systematically hedged by the fund manager.

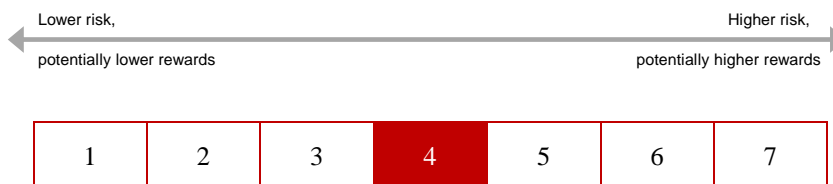
Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The net asset value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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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This fund is classified as risk "**category 4**"; this level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
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## CHARGES FOR THIS FUND

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One-off charges taken before or after you invest	
<b>Entry charges</b>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.20% <sup>(1)</sup></b>
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	<i>Amount of performance fee charged in the last financial year: <b>N/A</b></i> This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.

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 Fund has not yet completed its first financial year, only an estimate of ongoing charges is shown. 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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS P-EUR

To be 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 results.
- The performance of the Fund will be calculated with net coupons reinvested.
- The currency in which the performance will be calculated is the euro.
- The Fund was authorised on 24 January 2003 and the unit class P-EUR was launched on 25 October 2016.
- The first full financial year will end on 31 December 2018.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

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This key investor information is accurate as at 05.04.2017.

## Key Investor Information

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**VARENNE VALEUR – Unit class P-EUR CHF – ISIN code: FR0013247079**  
**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach. The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

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**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

The Fund may be exposed to a currency risk that is not covered systematically by the asset manager.

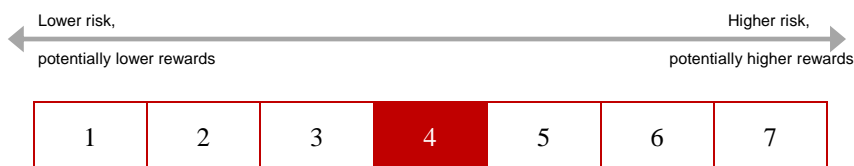
The fund manager will also fully and systematically hedge the portfolio in CHF against the EUR/CHF currency risk. Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The net asset value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.20% (1)</b>
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	<i>Amount of performance fee charged in the last financial year: <b>N/A</b></i> This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.

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 Fund has not yet completed its first financial year, only an estimate of ongoing charges is shown. 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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS P-EUR 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 results.
- The performance of the Fund is calculated with net dividends reinvested.
- The Fund was authorised on 24 January 2003 and the unit class P-EUR CHF was launched on 22 March 2017.
- The currency in which the past performance will be calculated is the euro.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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.

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

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

Varenne Capital Partners is authorised in France and regulated by the French financial markets authority, the *Autorité des marchés financiers* (AMF).

This key investor information is accurate as at 05.04.2017.

## 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 VALEUR – Unit class P-USD – ISIN code: FR0013247061**  
**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

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

Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The net asset value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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

### RISK AND REWARD PROFILE



1	2	3	4	5	6	7
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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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.20% (1)</b>
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	<i>Amount of performance fee charged in the last financial year: <b>N/A</b></i> This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.

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 Fund has not yet completed its first financial year, only an estimate of ongoing charges is shown. 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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## 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 results.
- The performance of the Fund is calculated with net dividends reinvested.
- The currency in which the performance will be calculated is the dollar.
- The Fund was authorised on 24 January 2003 and the unit class P-USD was launched on 22 March 2017.
- The first full financial year will end on 31 December 2018.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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

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

Varenne Capital Partners is authorised in France and regulated by the French financial markets authority, the *Autorité des marchés financiers* (AMF).

This key investor information is accurate as at 05.04.2017.

## 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 VALEUR – Unit class IT – ISIN code: FR0013216991**  
**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

The fund may be exposed to a currency risk that will not be systematically hedged by the fund manager.

Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

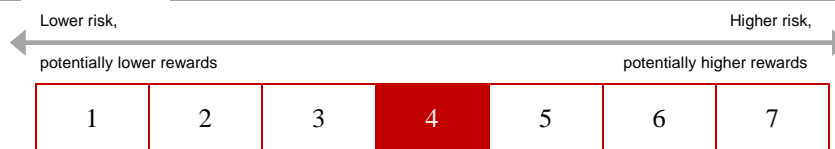
Net income and net realised capital gains are reinvested.

The Net Asset Value is calculated daily.

Buy and sell orders, in full fund units, are to be placed on Borsa Italiana ETFplus market each NAV calculation date prior to the close at 10:55 a.m. (D) and are executed on the basis of the next net asset value (price unknown), published on the following day (D+1). Value date settlement is three business days after the NAV calculation date (D+3).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>None</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.794% (1)</b>
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	<i>Amount of performance fee charged in the last financial year: <b>N/A</b></i> This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.

(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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS IT

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 results.
- The performance of the Fund is calculated with net coupons reinvested.
- The Fund was authorised on 24 January 2003 and the unit class IT was launched on 25 October 2016.
- The currency in which the performance will be calculated is the euro.
- The first full financial year will end on 31 December 2018.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Financial intermediary** in Milan: EQUITA Sim

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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.

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

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

Varenne Capital Partners is authorised in France and regulated by the French financial markets authority, the *Autorité des marchés financiers* (AMF).

This key investor information is accurate as at 05.04.2017.

## 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 VALEUR – Unit class I-EUR – ISIN code: FR0011631043**  
**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

The fund may be exposed to a currency risk that will not be systematically hedged by the fund manager.

Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The Net Asset Value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.



## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.11%</b>
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	<i>Amount of performance fee charged in the last financial year: <b>N/A</b></i> This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.

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.

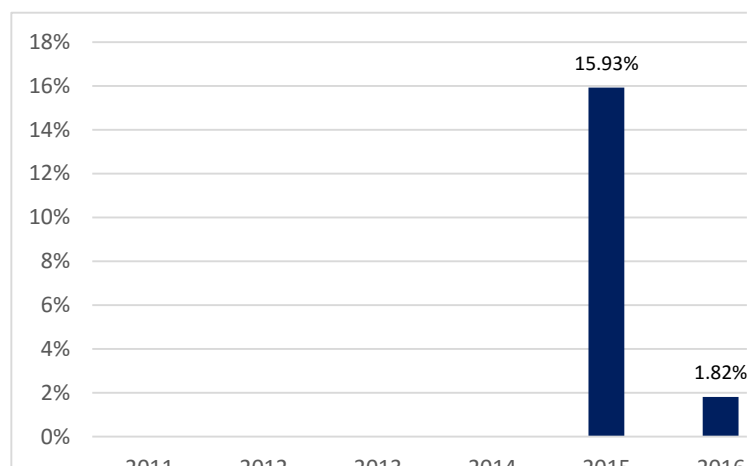
This percentage may vary from one year to another.

### 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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS I-EUR



- Past performance is not a reliable indicator of future results.
- The performance of the Fund is calculated with net coupons reinvested.
- The Fund was authorised on 24 January 2003 and the unit class I-EUR was authorised on 13 November 2013.
- The currency in which the past performance has been calculated is the euro.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

Annual Performances of Varenne Valeur I-EUR

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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.

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

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

Varenne Capital Partners is authorised in France and regulated by the French financial markets authority, the *Autorité des marchés financiers* (AMF).

This key investor information is accurate as at 05.04.2017.

## 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 VALEUR – Unit class I-USD – ISIN code: FR0013223583**  
**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

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

Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The Net Asset Value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.11%</b>
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: <b>N/A</b></i></p> <p>This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.</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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS I-USD

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 results.
- The performance of the Fund will be calculated with net coupons reinvested.
- The Fund was authorised on 24 January 2003 and the unit class I-USD was launched on 5 December 2016.
- The currency in which the performance will be calculated is the dollar.
- The first full financial year will end on 31 December 2017.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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.

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

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

Varenne Capital Partners is authorised in France and regulated by the French financial markets authority, the *Autorité des marchés financiers* (AMF).

This key investor information is accurate as at 05.04.2017.

## 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 VALEUR – Unit class U-EUR – ISIN code: FR0013250966**  
**Management Company: VARENNE CAPITAL PARTNERS**

### OBJECTIVES AND INVESTMENT POLICY

#### AMF Classification: "Diversified" UCITS

The investment objective of the Fund is to seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

The type of investment management implemented makes comparison with a benchmark index irrelevant. The CNO-TEC 5, a 5-year equivalent constant rate for French Government bonds, may however be used as an *ex-post* performance indicator for an investment made over the recommended duration of 5 years.

Using all the categories of financial assets, French or foreign, euro zone and non-euro zone, described below, the Fund implements a discretionary strategy. However, the Fund will be at least 75% invested in securities eligible for the French Equities Savings Plan (*Plan d'Epargne en Actions* - PEA).

**For its equity component**, the strategy is based on an active selection of stocks made exclusively in the context of non-directional "Special Situations" (for example, during mergers or acquisitions) or when the company's share price is trading at a discount to its fair value according to the assessment of the asset manager. This is a fundamental approach based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of its future results and the structure of its balance sheet, and strong upside potential for the medium-term; these are factors that are given priority in the stock selection process. In addition, a qualitative evaluation is made of the management of the companies.

**For the fixed-income component**, the asset manager will choose the positions taken in fixed-income products according to his or her expectations regarding the yield curve. 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 Fund may invest in units or shares of UCITS and UCIs authorised for sale in France, without exceeding the limit of 10% of assets.

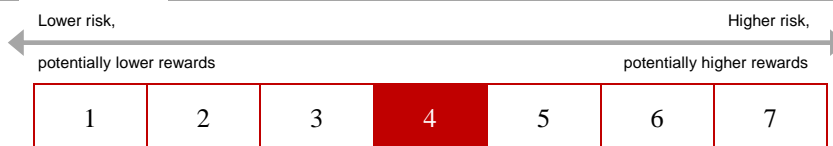
Derivative instruments may possibly be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed-income or foreign exchange risk.

Net income and net realised capital gains are reinvested. The Net Asset Value is calculated daily.

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

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 level reflects the discretionary management approach employed by VARENNE CAPITAL PARTNERS, a style of asset management based mainly on investment in shares of European companies.

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

- Impact related to asset management techniques: Risk of amplified losses due to the use of derivative financial instruments traded on regulated, organised or OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent in the securities of small and mid-sized companies.

## 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>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.95% (1)</b>
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: <b>N/A</b></i></p> <p>This fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised 12-month moving average of the CNO-TEC 5.</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 Fund has not yet completed its first financial year, only an estimate of ongoing charges is shown. 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.

For more information about charges, please see the "Charges and Fees" Section of the Fund's Prospectus, which is available on the company's website.

## PAST PERFORMANCE – UNIT CLASS U-EUR

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

- Shown performance is not a reliable indicator of future results.
- The performance of the Fund will be calculated with net coupons reinvested.
- The currency in which the performance will be calculated is the dollar.
- The Fund was authorised on 24 January 2003 and the unit class U-EUR was launched on 5 April 2017.
- The first full financial year will end on 31 December 2018.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The CNO-TEC 5 may possibly be used by unitholders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF Prospectus, historical data on the net asset values of the Fund and compensation policy of the Management Company are available on the site [www.varennecapital.com](http://www.varennecapital.com).

**Taxation:** The Fund is eligible for the French PEA equity savings plan. 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.

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.

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

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

Varenne Capital Partners is authorised in France and regulated by the French financial markets authority, the *Autorité des marchés financiers* (AMF).

This key investor information is accurate as at 05.04.2017.

## Prospectus

### I - GENERAL CHARACTERISTICS

#### STRUCTURE OF THE FUND

**Name:** VARENNE VALEUR

**Legal structure:** Open-ended mutual investment Fund governed by French law

**Launch date and intended term:**

The Fund was authorised on 24 January 2003 and was launched on 31 January 2003 for a period of 99 years.

**Fund overview:**

ISIN code	Allocation of distributable amounts	Base currency	Target investors	Minimum initial subscription amount
Unit class A-EUR: FR0007080155	Allocation of net income: accumulation	Euro	All investors	1 unit (Original value 100 euros)
Unit class A-EUR CHF: FR0011269638		Euro	All investors who wish to benefit from a full and systematic hedge in CHF against EUR/CHF currency risk	1 unit (Original value 175.50 euros)
Unit class A-USD: FR0013192507		Dollar	All investors who wish to benefit from a full and systematic hedge in USD against EUR/USD currency risk	1 unit (Original value 100 USD)
Unit class I-EUR: FR0011631043	Allocation of net realised capital gains: accumulation	Euro	All investors	Initial investment: 3,000,000 euros (Original value 1,000 euros) Subsequent subscription: 1 unit
Unit class I-USD: FR0013223583		Dollar	All investors who wish to benefit from a systematic and complete hedge in USD against EUR/USD currency risk.	Initial investment: 3,000,000 dollars (Original value 1,000 dollars) Subsequent subscription: 1 unit
Unit class IT: FR0013216991		Euro	All investors, via Borsa Italiana	1 unit (Original value 100 euros)
Unit class P-EUR: FR0013217007		Euro	All investors, but mainly managers of unit-linked insurance contracts and investment management professionals	1 unit (Original value 100 euros)

Unit class P-EUR CHF: FR0013247079	Allocation of net income: accumulation	Euro	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 euros)
Unit class P-USD: FR0013247061	Allocation of net realised capital gains: accumulation	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 U-EUR: FR0013250966		Euro	All investors. Mainly for wealth managers of Swiss banking groups or real-estate management professionals.	1 unit (Original value 100 euros)

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

The latest annual reports, the latest interim statements and the breakdown of 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)

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)

**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 06000004 as a portfolio Management Company:

**VARENNE CAPITAL PARTNERS**

42 avenue Montaigne  
75008 Paris – France

**Custodian and sub-custodians:**

**CACEIS Bank, Société Anonyme**

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

Principal activity: Bank and investment services provider approved by the 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

Principal activity: Bank and investment services provider approved by the CECEI on 1 April 2005.

### **Statutory Auditors:**

**RSM**

26 rue Cambacérés  
75008 Paris - France  
Represented by Fabien CREGUT

### **Marketer:**

**VARENNE CAPITAL PARTNERS**

42 avenue Montaigne  
75008 Paris – France

### **Appointee:**

Accounting and administrative management is carried out by:

**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.

Regarding the IT units, orders are forwarded to Borsa Italiana, and an intermediary authorised by the investment management company sends the daily balance of orders to the fund's centralising agent.

### **Financial intermediary**

**EQUITA SIM**

Via Turati, 9  
20121 Milan - Italy

## **II – OPERATING AND MANAGEMENT PROCEDURES**

### **GENERAL CHARACTERISTICS**

#### **Characteristics of the units or shares:**

- ☞ 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 held in the Fund, and decisions are taken by the Management Company.
- ☞ Form of units: bearer units, in dematerialised form.



- 🔗 **Fractions of units:** Unit classes A-EUR, A-EUR CHF, A-USD, I-USD, I-EUR, P-EUR CHF, P-USD, P-EUR and U-EUR in the Fund can be divided into thousandths of units. IT units are full units.
- 🔗 **Admission of the IT unit class on Borsa Italiana:** investors wishing to acquire or sell these units on Borsa Italiana are urged to review its operator's operating rules, in compliance with local regulations, and where necessary with the assistance of their usual intermediaries for placing orders on this market.

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

🔗 **Taxation:**

**The Fund is eligible for the French Equity Savings Plan (*Plan d'Epargne en Actions - PEA*).**

a) **For unit holders:**

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 105-0 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 rules appropriate 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.

b) **At Fund level:**

The Fund is not, by nature, subject to taxation. However, unit holders may be liable for tax on income distributed by the Fund where applicable, or when they sell their units.

The tax regime applicable to amounts distributed by the Fund or to realised or unrealised capital gains or losses depends on the taxation provisions that are applicable to the individual investor's situation, tax residence and/or the investment jurisdiction of the Fund.

Warning: 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. Some revenues distributed by the Fund to non-residents of France are liable to withholding tax in their country.

**SPECIFIC PROVISIONS**

🔗 <b>ISIN codes:</b>	Unit class A-EUR:	FR0007080155
	Unit class A-EUR CHF:	FR0011269638
	Unit class A-USD:	FR0013192507
	Unit class IT:	FR0013216991
	Unit class P-EUR:	FR0013217007
	Unit class P-EUR CHF:	FR0013247079
	Unit class P-USD:	FR0013247061
	Unit class I-EUR:	FR0011631043
	Unit class I-USD:	FR0013223583
	Unit class U-EUR:	FR0013250966

🔗 **Classification:** Diversified UCITS

🔗 **Investment objective:**

To seek a return in excess of the CNO-TEC 5, through a discretionary management approach.

🔗 **Performance indicator:** None

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a performance indicator irrelevant. The CNO-TEC 5 may possibly be used by unit holders to reflect the "opportunity cost" of their investment over a reasonable time horizon.

### **Investment Policy:**

To be eligible for the French Equity Savings Plan, (*Plan d'Epargne en Actions*, or PEA), VARENNE VALEUR is, on a constant basis, at least 75% invested in securities and rights eligible for the PEA: either directly in equity and eligible securities, or indirectly through French UCIs or European UCIs eligible for the PEA. The UCIs selected will be equity or diversified funds.

With respect to unit classes A-EUR CHF and P-EUR CHF, the fund manager will fully and systematically hedge the portfolio in CHF against EUR/CHF currency risk. The fund manager will also fully and systematically hedge unit classes A-USD, P-USD and I-USD in USD against the EUR/USD currency risk.

The Fund's strategy is to establish a diversified equities portfolio. A discretionary investment strategy is used.

The Fund may invest in all the asset classes listed below, with no sector constraints.

The Fund manages French or foreign financial assets from inside and outside the Euro zone. French residents may be exposed to currency risk.

#### The equity component

The investment strategy is based on active stock selection. The basic approach and the potential for increased value over the medium term are considerations given priority when selecting stocks. The basic approach is based mainly on the analysis of each company's strategy, the growth potential of its business, the visibility of future earnings and its balance sheet structure. In addition, a qualitative evaluation is made of the management of the companies.

Within this strategy, investment in securities giving access to capital is made exclusively as part of:

- Non-directional "Special Situations" (e.g. mergers/acquisitions);
- "Deep Value": a discount of at least 45% compared to the estimate of the enterprise value made by the fund manager.

When the fund manager cannot find any opportunities that meet these criteria, the assets remain invested in money-market or interest-bearing instruments; this approach leads to the construction of a portfolio whose configuration varies both geographically and in regard to asset classes.

#### The fixed-income component

The fund manager will choose the positions taken in fixed-income products according to his expectations regarding the yield curve. 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 shares and units of other UCITS, AIFs or foreign investment funds component

The component invested in shares or units of UCITS, AIFs and investment fund accounts for between 0% and 10% of the fund's assets.

The Fund may invest, via forwards, options, swaps or forward foreign currency contracts, on regulated, organised or over-the-counter markets in France and other countries. These instruments will be used for risk hedging purposes (e.g., foreign currency, interest rates, equity) and/or to generate 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.

### **Assets used:**

#### Equities

The Fund will invest between 0 and 100% of its assets in shares or other securities giving access to the capital of issuers that either have their headquarters in a Member-State of the European Union or from time to time in non-EC countries, for example in the United States.

Eligible securities include stocks traded on any market, relating to any business sector and issued by companies of any market capitalisation size.

#### Fixed-income

The Fund may invest in debt securities and money market instruments - French and international bonds, - between 0% and 100% of assets.

#### Shares and units of UCITS, AIFs or foreign investment funds

The Fund may invest between 0% and 10% of its assets in units of UCITS, AIFs and investment funds, especially "money market" funds.

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

#### 🔍 Derivatives:

The Fund may invest, via forwards, options, swaps or forward foreign currency contracts, on regulated, organised or over-the-counter markets in France and other countries. These instruments will be used for risk hedging purposes (e.g., foreign currency, interest rates, equity) and/or to generate 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.

However, the A-EUR CHF and P-EUR CHF unit classes denominated in euros will be systematically hedged in CHF against the risk of fluctuations in the EUR/CHF exchange rate, and A-USD, P-USD and I-USD unit classes, which are denominated in USD, will be systematically hedged in USD against the risk of fluctuations in the EUR/USD rate. With a view to seeking a full and systematic cover, the fund manager will make use of financial futures for these unit classes; such covers will be provided through financial instruments that minimise the impact of hedge transactions on the Fund's other unhedged unit class. The instruments used will be mainly futures, forwards and options.

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.

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.

🔍 Securities with embedded derivatives: N/A

🔍 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:

The Fund may use temporary purchases and sales of securities, borrow securities and use repurchase and reverse repurchase securities transactions in particular.

These transactions are expected to generate an additional return for the Fund.

The Fund will ensure that it can recall the full amount of cash or terminate the repurchase transaction at any time. The Fund will also ensure that it can recall any security involved in a repurchase transaction or terminate the repurchase transaction at any time.

The Fund may invest up to 100% of the assets in temporary purchases and sales of securities for the purpose of:

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

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

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

#### The Fund's 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 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.

- **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 at all times in the best-performing markets or stocks.
- **Equity risk:**  
This refers to the risk of a fall in the shares 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 made in a non-euro currency and which then depreciates against the euro on the foreign exchange market. At the sole discretion of the fund manager, the risk can be hedged entirely or partially through derivatives. The fund manager will fully and systematically hedge unit classes A-EUR CHF and P-EUR CHF in CHF against EUR/CHF currency risk, and will systematically and fully hedge unit classes A-USD and P-USD in USD against the EUR/USD exchange rate risk.
- **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.
- **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, which may cause a decline in the net asset value.

- **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 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.

- **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 risks 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, I-EUR and IT: All investors\*, both individuals and legal entities.

Unit classes A-EUR CHF: All investors\* who wish to benefit from a systematic and complete hedge in CHF against EUR/CHF currency risk.

Unit classes A-USD and I-USD: All investors\* who wish to benefit from a systematic and complete hedge in USD against EUR/USD currency risk.

Unit classes P-EUR: All investors\*. 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 classes P-EUR CHF: All investors\*. 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) who wish to benefit from a systematic and complete hedge in CHF against EUR/CHF currency risk.

Unit classes P-USD: All investors\*. 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) who wish to benefit from a systematic and complete hedge in USD against EUR/USD currency risk.

Unit classes U-EUR: All investors\*. Unit meant mainly for wealth managers of Swiss banking groups or real-estate management professionals.

\*All investors, 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 targeted at those customers wishing to invest their capital who have the knowledge to assess the risks inherent in this type of investment (see the heading "Risk Profile").

The amount that is appropriate to invest in this Fund depends on the investor's personal situation. To determine this amount, his personal wealth, his cash requirements both current and future, as well as his degree of risk aversion, must all be taken into account. It is strongly recommended that investors diversify their holdings in order to avoid risk exposure solely to this Fund.

The recommended minimum investment period is 5 years.

#### **Procedures for the determination and allocation of distributable amounts:**

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.

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

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

 **Characteristics of the unit classes:** Unit classes A-EUR, A-EUR CHF, I-EUR, IT, P-EUR CHF, P-EUR and U-EUR are denominated in euro. A-USD, P-USD and I-USD units are denominated in USD. With the exception of IT units, they may all be divided into thousandths of units.

#### **Subscription and redemption procedures:**

For unit classes A-EUR, A-EUR CHF, A-USD, I-EUR, I-USD, P-EUR CHF, P-USD, P-EUR and U-EUR, the subscription and redemption orders, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. at CACEIS Bank. They will be executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+1).

Regarding IT units, buy and sell orders – in full units – are received each NAV calculation date before 10:55 a.m. at Borsa Italiana (D). These orders are then consolidated and forwarded by 2:30 p.m. to the fund's centralising agent by the financial

intermediary mandated by the investment management company. They are then executed on the basis of the next net asset value (price unknown). Settlement is on value date the third following day (D+3).

Address of the institution appointed by the Management Company to receive subscriptions and redemptions for unit classes A-EUR, A-EUR CHF, A-USD, I-EUR, P-EUR CHF, P-USD, P-EUR and U-EUR:

**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.

Regarding IT units, buy and sell orders transmitted to Borsa Italiana are consolidated and forwarded to CACEIS Bank by a financial intermediary mandated by the investment management company.

Frequency of net asset value calculations: The net asset value is set every day with the exception of legal holidays in France and days on which Euronext is closed.

Special features of IT units:

Listed fund units must be bought or sold with the assistance of an intermediary (for example, a broker), which may therefore incur trading fees. Investors are urged to review Borsa Italiana’s operating rules, in compliance with local regulations.

Subscriptions and redemptions are exclusively in a number of units above the subscription minimums, if any (i.e., subscription and redemptions in monetary amounts are not allowed).

Financial intermediary appointed to forward Borsa Italiana buy and sell orders to the fund’s centralising agent:

**EQUITA SIM**

Via Turati, 9

20121 Milan - Italy

Regarding IT units, fund-holders’ attention is drawn to the fact that orders forwarded to brokers must take into account the closing time of Borsa Italiana ETFplus market (10:55 a.m.).

As a result, these brokers may set their own deadline before the aforementioned one, in order to allow time to forward the orders to Borsa Italiana ETFplus market.

**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 fees accruing to the Fund serve to offset the costs incurred by the Fund when buying or selling the assets entrusted to it. Fees 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</b>
Entry charge not payable to the Fund	Net asset value x num of units	2% maximum (None for the IT unit class)
Entry charge payable to the Fund	Net asset value x num of units	None
Exit charge not payable to the Fund	Net asset value x num of units	None
Exit charge payable 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 are in addition to management fees:

- transaction fees invoiced to the Fund,
- outperformance fees. These reward the Management Company when the Fund exceeds its objectives. They are therefore charged to the Fund,
- a portion of the income generated by temporary purchases or sales of securities.

	<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale incl. taxes</b>
1	Management Fees	Net assets	Unit classes U-EUR: 1.95% Unit classes A-EUR, A-EUR CHF, IT and A-USD: 1.794%  Unit classes P-EUR, P-EUR CHF and P-USD: 1.20%  Unit classes I-EUR and I-USD: 1.10%
	Management fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers)	Net assets	Maximum rate
	Maximum indirect fees (commissions and management fees)	Net assets	None
2	Transaction fees	Charge for each transaction	None
3	Outperformance fee (**)	Net assets	14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised one- year moving average of the CNO-TEC 5 (*).

(\*) The CNO-TEC 5 is the 5-year equivalent constant rate for French Government bonds. It is calculated daily by the CNO, the French Bond Association.

(\*\*) This outperformance fee represents a maximum of 14.95%, inclusive of taxes, of the Fund's positive performance exceeding the annualised one-year moving average of the CNO-TEC 5. 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.

The first full financial year for IT, P-EUR CHF, P-USD, P-EUR and U-EUR units will close on 31 December 2018.

#### **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.

### **III – COMMERCIAL INFORMATION**

The Prospectus of the Fund, the latest annual and interim reports, the Voting Policy and Exercise of Voting Rights as well as the net asset value are available at the registered office of the Company and sent within one week upon written request by the unit holder:

**VARENNE CAPITAL PARTNERS**



#### IV - INVESTMENT RULES

The ratios applicable to the Fund are those specified in Article R. 214-2 *et seqq.* of the French Monetary and Financial Code.

#### V – GLOBAL RISK

Calculation of the total 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").

#### VI – 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. Nevertheless, negotiable debt instruments with a residual duration of less than or equal to 3 months and assuming no specific exposure, 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 shares of UCIs are valued at their 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 in particular the UCITS accounting plan.

#### Income accounting

- Revenues from fixed income investments are recognised on a cashed coupon basis.

#### VII – 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:

Update of the Prospectus: 05.04.2017

**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 starting from 24 January 2003, except in the event of early liquidation or of an extension as scheduled 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**

Units may not be redeemed if the Fund's assets fall below EUR 300,000; in this event, and unless the assets recover above this level in the meantime, the Management Company shall take the necessary steps to liquidate the Fund in question within thirty days, or to carry out one of the operations mentioned in Article 411-16 of the AMF's 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 entry charge, 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 transferable securities. 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. The registrar-depository will settle the payment within a maximum period of five days following the valuation of the unit.

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 KIID and full 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 in exceptional circumstances and if this is deemed necessary to protect the interests of unit holders.

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

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

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

The net asset value shall be 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.

In all circumstances, the Management Company acts on behalf of the unit holders and it alone may 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**

With the exception of the IT unit class, 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, the custodian 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 Board of Directors or the Executive Board 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 auditor performs the procedures and checks provided under applicable laws, and specifically certifies the fair presentation and the legality of the financial statements and of the accounting information contained in the management report.

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's fees are included in the management fees.

#### **Article 8 – The financial statements and the management report**

At the end of each financial year, the Management Company shall prepare the financial statements and draw up a report on the management of the Fund during the past 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 inventory of assets and liabilities is certified by the custodian and all of the above documents are reviewed by the statutory auditor.

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 – DISTRIBUTABLE AMOUNTS PROCEDURES**

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

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

For a UCI, distributable amounts consist of:

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

The amounts mentioned in points 1 and 2 above may be distributed, in full or in part and independently of each other. The method for allocating distributable income is set out in the Prospectus.

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

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

The Management Company may either contribute the assets in the Fund to another of the UCITS that it manages, in whole or in part, or split the Fund into two or several other mutual funds that it will subsequently manage.

These merger or demerger transactions can only take place one month after the 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 *Autorité des Marchés Financiers* (AMF) and shall dissolve the Fund, except in the event of a merger with another 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 asset Management Company or the appointed liquidator, after agreement, is responsible for the liquidation transactions. For this purpose, they shall be granted the broadest powers to sell the Fund's assets, settle liabilities, if any, and allocate the balance in cash or in securities to the unit holders.

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

## **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: 05.04. 2017