

# VARENNE GLOBAL

FCP (French Open-ended Mutual Investment Fund)

KIID, Prospectus and Management rules



## CHARGES

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 deducted before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.59%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> N/A</p> <p>14.95% including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

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

The ongoing charges and performance fee are based on the figures from the previous financial year ended 31 December 2018. This percentage may vary from year to year.

### Ongoing charges do not include:

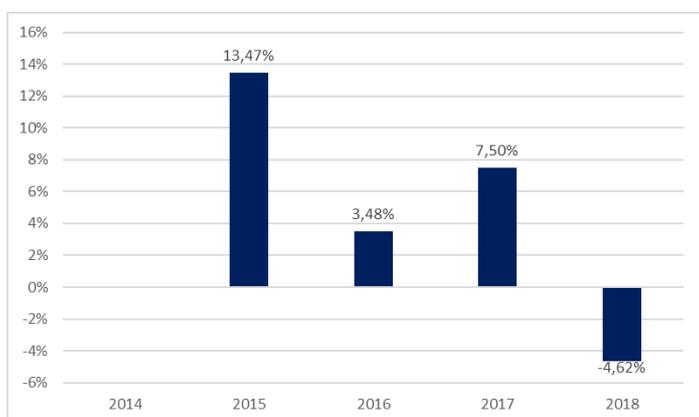
- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

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

For more information about charges, please refer to the section entitled "Charges and Fees" in the Fund's prospectus, which is

available on the company's website [www.varennecapital.com](http://www.varennecapital.com).

## PAST PERFORMANCE – UNIT CLASS A-EUR



Annual performances of Varenne Global unit class A-EUR

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

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

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

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

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

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

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

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

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

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.



## CHARGES

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 deducted before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.67%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of Capitalised EONIA* +300 basis points.</p>

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

The ongoing charges and performance fee are based on the figures from the previous financial year ended 31 December 2018. This percentage may vary from year to year.

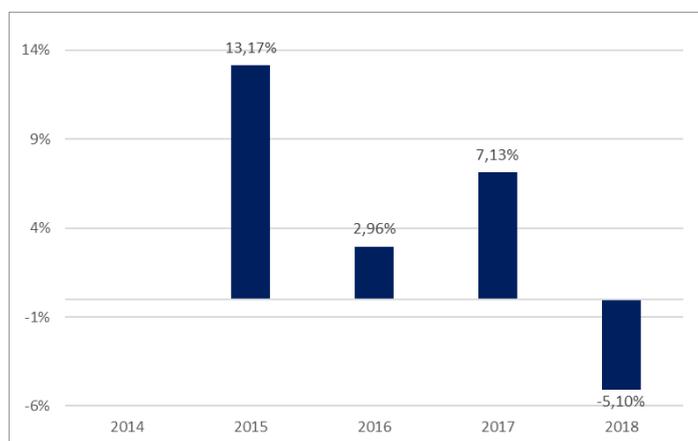
### Ongoing charges do not include:

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

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

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

## PAST PERFORMANCE – UNIT CLASS A-CHF



Annual performances of Varenne Global unit class A-CHF

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class A-CHF was launched on 4 August 2014.
- Past performance has been calculated in Swiss francs.

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

## PRACTICAL INFORMATION

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75008 Paris – France

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.

## Key investor information

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

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

**Management company: VARENNE CAPITAL PARTNERS**

### INVESTMENT OBJECTIVES AND POLICY

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

**Main financial asset classes:**

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

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

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

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

Investments may be made in Treasury issues, fixed- or floating-rate government securities, Treasury bills, and secondary or primary market bonds in the form of sovereign or corporate debt.

The sensitivity range will be between 0 and 4.

The fund manager will systematically hedge the unit class in full against EUR/USD currency risk.

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

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

Net income and net realised capital gains are reinvested.

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

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

The recommended investment period is more than five years.

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

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The risk indicator's past level does not serve as a guide to its level in the future.

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

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

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

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

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

## CHARGES

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 deducted before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	1.66%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i> <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of</p>

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

The ongoing charges and performance fee are based on the figures from the previous financial year ended 31 December 2018. This percentage may vary from year to year.

### Ongoing charges do not include:

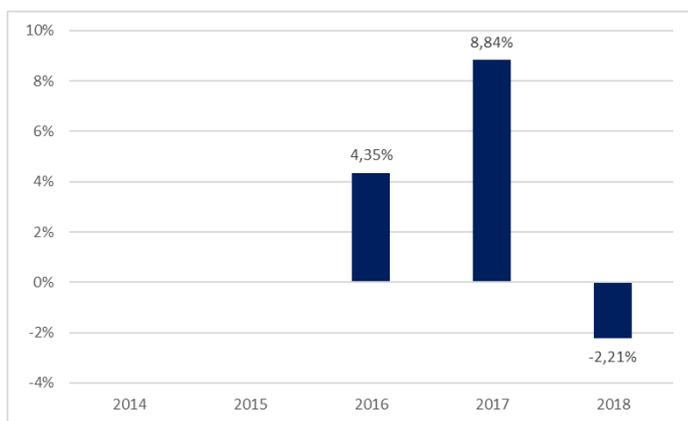
- Performance fees;
- Portfolio intermediary fees, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

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

[www.banque-france.fr](http://www.banque-france.fr).

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

## PAST PERFORMANCE – UNIT CLASS A-USD



Annual performances of Varenne Global unit class A-USD

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

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

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.

## Key investor information

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

**VARENNE GLOBAL – Unit class P-EUR - ISIN code: FR0013247087**  
**Management company: VARENNE CAPITAL PARTNERS**

### INVESTMENT OBJECTIVES AND POLICY

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

**Main financial asset classes:**

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

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

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

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

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

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

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

Net income and net realised capital gains are reinvested.

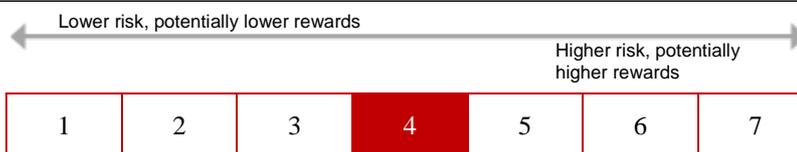
The Net Asset Value (NAV) is calculated each day.

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

The recommended investment period is more than five years.

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

### RISK AND REWARD PROFILE



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

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

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

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

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

## CHARGES

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One-off charges deducted before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	0.97%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p>Amount of performance fee charged in the last financial year: <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of</p>

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

The ongoing charges and performance fee are based on the figures from the previous financial year ended 31 December 2018. This percentage may vary from year to year.

### Ongoing charges do not include:

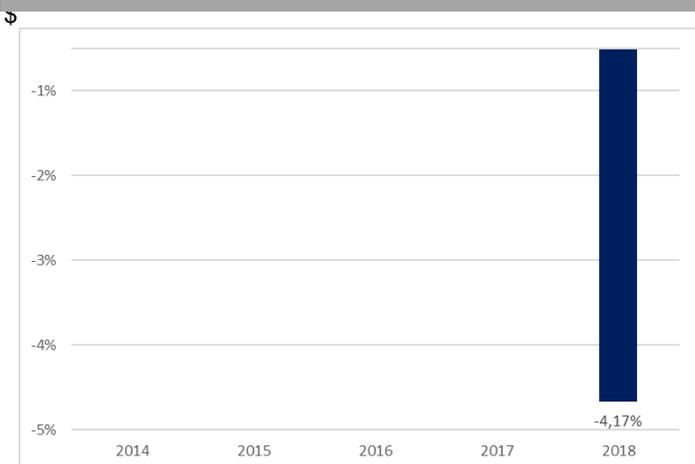
- Performance fees;
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## PAST PERFORMANCE – UNIT CLASS P-EUR



Annual performance of Varenne Global unit class P-EUR

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class P-EUR was launched on 22 March 2017.
- Past performance is calculated in euros.

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

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.



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

## CHARGES

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

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

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

### Ongoing charges do not include:

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

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

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## PAST PERFORMANCE – UNIT CLASS P-CHF

Launched in 2017.  
Under no circumstances may a performance calculated over less than one year be presented.

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class P-CHF was launched on 22 March 2017.
- Past performance will be calculated in Swiss francs.
- The first full financial year will end on 31 December 2020.

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

## PRACTICAL INFORMATION

Custodian: CACEIS Bank

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75008 Paris – France

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

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

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

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

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.

## Key investor information

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

**VARENNE GLOBAL - Unit class P-USD - ISIN code: FR0013247020**  
**Management company: VARENNE CAPITAL PARTNERS**

### INVESTMENT OBJECTIVE AND POLICY

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

**Main financial asset classes:**

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

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

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

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

Investments may be made in Treasury issues, fixed- or floating-rate government securities, Treasury bills, and secondary or primary market bonds in the form of sovereign or corporate debt.

The sensitivity range will be between 0 and 4.

The fund manager will systematically hedge the unit class in full against EUR/USD currency risk.

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

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

Net income and net realised capital gains are reinvested.

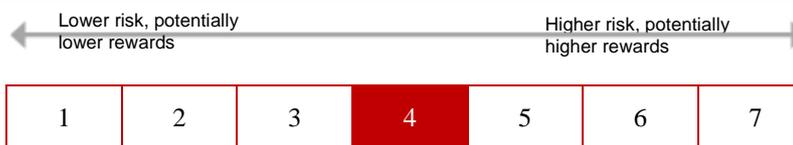
The Net Asset Value (NAV) is calculated each day.

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

The recommended investment period is more than five years.

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

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The risk indicator's past level does not serve as a guide to its level in the future.

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

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

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

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

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

## CHARGES

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

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

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

### Ongoing charges do not include:

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

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

[www.banque-france.fr](http://www.banque-france.fr).

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

## PAST PERFORMANCE – UNIT CLASS P-USD

Launched in 2017.  
Under no circumstances may a performance calculated over less than one year be presented.

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class P-USD was launched on 22 March 2017.
- Past performance will be calculated in US dollars.
- The first full financial year will end on 31 December 2020.

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

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

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

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

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

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

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

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.

## Key investor information

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

**VARENNE GLOBAL - Unit class P-GBP - ISIN code: FR0013401031**  
**Management company: VARENNE CAPITAL PARTNERS**

### INVESTMENT OBJECTIVES AND POLICY

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

**Main financial asset classes:**

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

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

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

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

Investments may be made in Treasury issues, fixed- or floating-rate government securities, Treasury bills, and secondary or primary market bonds in the form of sovereign or corporate debt.

The sensitivity range will be between 0 and 4.

The fund manager will systematically hedge the unit class in full against EUR/GBP currency risk.

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

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

Net income and net realised capital gains are reinvested.

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

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

The recommended investment period is more than five years.

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

### RISK AND REWARD PROFILE



Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The risk indicator's past level does not serve as a guide to its level in the future.

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

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

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

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

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

## CHARGES

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

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

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

### Ongoing charges do not include:

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

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

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

## PAST PERFORMANCE – UNIT CLASS P-GBP

Launched in 2019.  
Under no circumstances may a performance calculated over less than one year be presented.

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class P-GBP was launched on 6 February 2019.
- Past performance will be calculated in pounds sterling.
- The first full financial year will end on 31 December 2020.

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

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

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

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

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.

## Key investor information

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

**VARENNE GLOBAL – Unit class I-EUR - ISIN code: FR0013073053**  
**Management company: VARENNE CAPITAL PARTNERS**

### INVESTMENT OBJECTIVES AND POLICY

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

**Main financial asset classes:**

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

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

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

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

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

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

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

Net income and net realised capital gains are reinvested.

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

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

The recommended investment period is more than five years.

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

### RISK AND REWARD PROFILE



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

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

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

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

## CHARGES

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 deducted before or after you invest	
<b>Entry charges</b>	2%
<b>Exit charges</b>	None
Charges taken from the Fund over a year	
<b>Ongoing charges</b>	0.92%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i>  <b>N/A</b></p> <p><b>14.95%</b> including taxes of the Fund's performance in excess of the 12-month rolling average of</p>

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

The ongoing charges and performance fee are based on the figures from the previous financial year ended 31 December 2018. This percentage may vary from year to year.

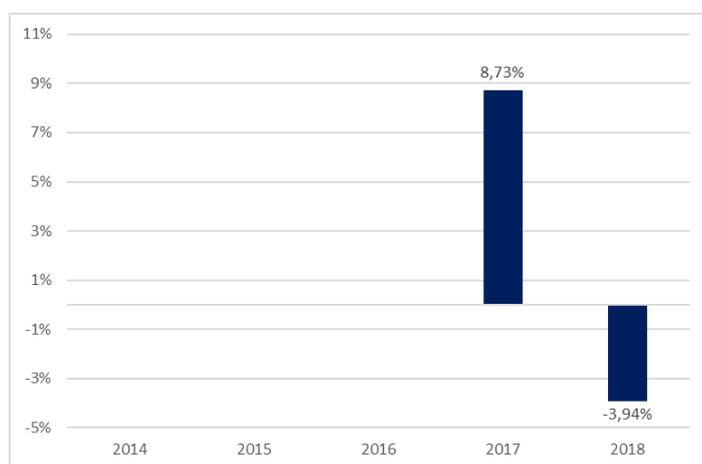
### Ongoing charges do not include:

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

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

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

## PAST PERFORMANCE - UNIT CLASS I-EUR



Annual performances of Varenne Global unit class I-EUR

- Past performance is not a reliable indicator of future performance.
- The Fund's performance is calculated net of management fees (excluding entry and exit charges if any) and net coupons reinvested.
- The Fund was authorised on 3 January 2014 and the unit class I-EUR was launched on 24 December 2015.
- Past performance has been calculated in euros.

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

## PRACTICAL INFORMATION

**Custodian:** CACEIS Bank

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

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

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

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

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

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

The key investor information contained herein was deemed accurate as at 06/02/2019.

# VARENNE GLOBAL

## Prospectus

### I – GENERAL CHARACTERISTICS

#### STRUCTURE OF THE FUND

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

ISIN Code	Allocation of distributable income	Base currency	Eligible investors	Initial minimum subscription amount
Unit class A-EUR: FR0011631035	Net income: Accumulation  Net realised capital gains: Accumulation	Euro	All investors	1 unit (original value: 125 euros)
Unit class A-CHF: FR0012055937		Swiss franc	All investors who wish to benefit from a systematic and complete hedge in CHF against EUR/CHF currency risk.	1 unit (original value: 150 Swiss francs)
Unit class A-USD: FR0012749380		Dollar	All investors who wish to benefit from a systematic and complete hedge in USD against EUR/USD currency risk.	1 unit (original value: 200 dollars)
Unit class P-EUR: FR0013247087		Euro	All investors. Mainly unit-linked life insurance managers or investment management professionals.	1 unit (original value: 100 euros)
Unit class P-CHF: FR0013247012		Swiss franc	All investors. Mainly unit-linked life insurance managers or investment management professionals wishing to benefit from systematic and full hedging in CHF against EUR/CHF currency risk.	1 unit (original value: 100 Swiss francs)
Unit class P-GBP: FR0013401031		Pound sterling	All investors. Mainly unit-linked life insurance managers or investment management professionals wishing to benefit from systematic and full hedging in GBP against EUR/GBP currency risk.	1 unit (original value: 100 pounds)

Unit class P-USD: FR0013247020		Dollar	All investors. Mainly unit-linked life insurance managers or investment management professionals wishing to benefit from systematic and full hedging in USD against EUR/USD currency risk.	1 unit (original value: 100 dollars)
Unit class I-EUR: FR0013073053		Euro	All investors	Initial subscription: 3,000,000 euros (original value: 1,000 euros) Subsequent subscription: 1 unit

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

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

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

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

## II - DIRECTORY

□ **Management Company:**

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

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

□ **Custodian and liabilities manager:**

**CACEIS Bank**, Société Anonyme  
Registered office: 1-3 place Valhubert, 75013 Paris – France

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

The custodian's role covers the tasks set out in applicable regulations: custody, supervision of decisions made by the investment management company, and monitoring of the UCITS's cash flows.

The custodian is independent of the 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 made available to investors 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  
Credit institution and investment services provider approved by CECEI on 1 April 2005,

□ **Statutory Auditors: RSM**

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

□ **Distributor:** VARENNE

#### **CAPITAL PARTNERS**

42 avenue Montaigne  
75008 Paris – France

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

**CACEIS Fund Administration**, Société Anonyme,  
Registered office: 1-3, Place Valhubert - 75013 Paris - France

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

CACEIS Fund Administration has therefore been appointed by the management company as accounting manager, in order to conduct the Fund's valuation and accounting administration. CACEIS Fund Administration is responsible for asset valuations, calculating the Fund's net asset value and preparing periodic documents.

### **III - OPERATING AND MANAGEMENT PROCEDURES**

#### **GENERAL CHARACTERISTICS**

□ **Characteristics of the units:**

- Nature of the rights attached to the units: every unitholder has a right of joint ownership over the Fund's assets, proportional to the number of units held.
- Entry in a register or liabilities accounting procedure: liabilities are held by the custodian. The units of the Fund are registered with Euroclear.
- Voting rights: as the Fund is a joint ownership of transferable securities, no voting rights are attached to the units in the Fund, and decisions are taken by the Management Company.
- Form of units: bearer units.
- Fractions of units: the units may be divided into thousandths of units.

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

□ **Taxation:**

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

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

As the Fund only offers accumulation units, in principle the applicable taxation scheme is that of capital gains on securities in the country of the unitholder's residence, in accordance with the rules corresponding to their situation (individual, legal entity subject to corporation tax, or other cases). The rules applicable to unitholders residing in France are set out in the French Tax Code.

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

#### **SPECIFIC PROVISIONS**

□ **UCITS, AIFs and investment funds**

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

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

□ **ISIN codes:**

Unit class A- EUR	FR0011631035
Unit class A- CHF	FR0012055937
Unit class A- USD	FR0012749380
Unit class P- EUR	FR0013247087
Unit class P- USD	FR0013247020
Unit class P- CHF	FR0013247012
Unit class P- GBP	FR0013401031
Unit class I-EUR	FR0013073053

□ **Investment objective:**

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

□ **Benchmark index:**

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

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

□ **Investment strategy:**

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

The fund manager will fully and systematically hedge unit classes A-CHF and P-CHF against EUR/CHF currency risk. The fund manager will fully and systematically hedge unit classes A-USD and P-USD against EUR/USD currency risk and will systematically and completely hedge unit class P-GBP against EUR/GBP currency risk.

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

- **Equities**

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

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

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

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

Arbitrage on capital restructurings includes various strategies:

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

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

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

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

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

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

- **Debt securities and money market instruments**

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

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

The management company does not rely solely or systematically on ratings supplied by credit rating agencies, preferring to use its own credit risk analysis to assess the credit quality of the assets and to select the securities it purchases.

The sensitivity range will be between 0 and 4.

- **UCITS, AIFs and investment funds**

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

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

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

- **Financial contracts**

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

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

□ **Assets used:**

• **Equities**

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

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

• **Debt securities and money market instruments**

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

The management company does not rely solely or systematically on ratings supplied by credit rating agencies, preferring to use its own credit risk analysis to assess the credit quality of the assets and to select the securities it purchases.

• **UCITS, AIFs and investment funds**

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

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

• **Derivative instruments used:**

Types of markets in which the Fund invests:

- Regulated;
- Organised;
- OTC.

Risks that the fund manager seeks to mitigate:

- Equity (all caps);
- Interest rate;
- Currency; Credit;
- Indices;
- Raw materials (via indices only and no more than 10% of the net assets);
- Volatility / variance (up to 10% of the net assets);
- Dividends.

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 and Contracts for difference (CFD);

- 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 upward or downward of one or more currencies, equities, equity indices, volatility or listed securities, UCIs or other investment funds,
  - Dividends (net or gross).
- Forward currency contracts;
  - Credit derivatives: Credit Default Swap.

Derivatives strategies used to achieve the investment objective:

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

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

The use of derivatives may give rise to overexposure of the Fund which shall not exceed 100% of the Fund's net assets, and within a maximum leverage of 2.

- **Securities with embedded derivatives:**

The Fund invests in financial instruments that integrate derivatives with underlying equities.

The instruments used are: warrants, equity warrants, certificates, as well as any bond vehicles with conversion or subscription rights attached, such as convertible bonds exchangeable for new or existing shares, and bonds with an attached redeemable share warrant.

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;
- Credit;
- Indices;
- Raw materials (via indices only and no more than 10% of the net assets);
- Volatility / variance (up to 10% of the net assets);
- Dividends.

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

- Hedging;
- Exposure;
- Arbitrage.

Types of instruments used:

- Warrants;
- Share warrants;
- Convertible bonds;
- Bonds with an attached redeemable share warrant.

Exposure to securities with embedded derivatives may not exceed 20% of the Fund's assets.

- **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
- **Securities financing transactions and total return swaps**

For the purposes of:

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

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

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

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

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

These assets shall be kept by the custodian.

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

- **Financial guarantees:**

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

Financial guarantees received are mostly cash for OTC derivatives transactions. 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.

The selection of the counterparties with which these transactions are carried out prevents the risk of a conflict of interest when using these transactions. These counterparties will be credit institutions with their registered office in a Member State of the European Union and with a minimum rating of BBB- or deemed equivalent by the Management Company.

As such, any financial guarantee accepted in order to reduce counterparty risk must meet the following criteria:

- it is given in the form of cash
- 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 ties with the provider of the financial guarantees;
- they comply, at all times, in accordance with applicable regulations, with criteria regarding 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 be placed on short-term money market funds.

There is no correlation policy as the Fund will receive cash only as financial guarantees (collateral). The risks associated with reinvestment of cash depend on the type of asset or the type of transaction and may consist of liquidity risk or counterparty risk.

The risks associated with securities financing transactions, financial contracts and the management of inherent guarantees are described in the risk profile section.

There are no voluntary or regulatory restrictions.

□ **Risk profile:**

Your money will primarily be invested in financial instruments selected by the management company. These instruments will be exposed to market movements and fluctuations.

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

- **Risk of capital loss:**

As the Fund does not offer a capital guarantee or protection, investors may not recover the full amount of their initial capital investment.

- Discretionary management risk:  
The discretionary management style is based on an analysis and asset allocation model specific to the Fund. Therefore, the Fund may not be invested in the best-performing markets or securities at all times, as its performance is linked in part to the fund manager's ability to anticipate market movements.
- Equity risk:  
This refers to the risk of a decline 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 of these changes diverging significantly from market indices and/or of the fund manager not selecting the best performing stocks. We remind you that the fund manager has the latitude to seek an exposure to equity risk of up to 200% of the Fund's net assets.
- Currency risk:  
The Fund may be invested in non-euro denominated instruments. Currency risk is the risk of capital loss when an investment is denominated in a currency other than the euro which depreciates against the euro on the foreign exchange market. At the sole discretion of the fund manager, the Fund may be exposed to currency risk or hedged wholly or partly by means of derivatives.  
The fund manager will systematically and fully hedge unit classes A-CHF, P-CHF, A-USD, P-GBP and P-USD against their respective currency risk. Nevertheless, the Fund may incur a residual currency risk (up to 2% of its assets).
- Interest rate risk:  
The Fund may in whole or in part be invested in debt securities. Interest rate risk refers to the possibility that changes in interest rates may prove adverse and lead to a loss in the value of the debt securities held in the Fund's portfolio. A rise in interest rates causes a decline in the capital value of fixed rate bonds, and consequently a fall in the net asset value of the Fund. We remind you that the fund manager has the latitude to seek an exposure to interest rate risk of up to 200% of the Fund's net assets.
- Credit risk:  
The Fund may be invested in corporate bonds and government bonds, in derivatives linked to one or more issuers (CDS) 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 related to investing in commodities futures:  
The Fund may be exposed to fluctuations in commodity prices through derivatives, the underlying asset of which 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.) may cause a decline in the Fund's net asset value.
- Counterparty risk  
The Fund may suffer a loss in the event of default by a counterparty with which certain transactions have been carried out, including the temporary purchase and sale of securities and OTC derivatives, which may result in a decline in the net asset value.
- Overexposure risk  
The Fund may use forward financial instruments (derivatives) to generate overexposure and thus cause the exposure of the Fund to exceed its net assets. Depending on the direction of the transactions carried out in the Fund, the effect of a decline (in the case of purchase of exposure) or an increase in the asset underlying the derivative (in the case of sale of exposure) can be accentuated and thus increase the fall in the Fund's net asset value.
- Risk related to investments in emerging markets:  
Market risk can be amplified by any investments in emerging markets. Investing in emerging markets involves a greater degree of risk due to the political and economic situation of these countries that may affect the value of the Fund's investments. The conditions under which such markets operate and are supervised may deviate from prevailing standards on 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.
- Risks related to temporary purchases and sales of securities and the management of financial guarantees: Temporary purchases and sales of securities may create risks for the Fund, such as the counterparty risk defined above. The management of guarantees is likely to create risks for the Fund such as the risks related to the reuse of cash collateral (i.e. mainly the risk that the Fund is unable to repay the counterparty).

□ **Subscribers and investor profile:**

Unit classes A-EUR and I-EUR:

All investors\*, both individuals and legal entities.

Unit class A-CHF:

All investors\*, both individuals and legal entities.

The unit class will be systematically and fully hedged against EUR/CHF currency risk.

Unit class A-USD:

All investors\*, both individuals and legal entities.

The unit class will be systematically and fully hedged against EUR/USD currency risk.

Unit class P-EUR: All investors\*. The unit class is intended as a vehicle for unit-linked insurance contracts taken out with insurance firms, and investment management professionals (collective investments or private banking).

Unit class P-CHF: All investors\*. The unit class is intended as a vehicle for unit-linked insurance contracts taken out with insurance firms, and investment management professionals (collective investments or private banking).

The unit class will be systematically and fully hedged against EUR/CHF currency risk.

Unit class P-USD: All investors\*. The unit class is intended as a vehicle for unit-linked insurance contracts taken out with insurance firms, and investment management professionals (collective investments or private banking).

The unit class will be systematically and fully hedged against EUR/USD currency risk.

Unit class P-GBP: All investors\*. The unit class is intended as a vehicle for unit-linked insurance contracts taken out with insurance firms, and investment management professionals (collective investments or private banking).

The unit class will be systematically and fully hedged against EUR/GBP currency risk.

\* 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 <http://www.sec.gov/rules/final/33-7505.htm>).
- The Foreign Account Tax Compliance Act (FATCA), defined by the intergovernmental agreement signed between France and the United States on 14 November 2013 (the definition of "US Person(s)" according to FATCA is available at [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 a US state or any other US regulatory authority, nor have said authorities expressed an opinion on the merits or otherwise of such an offer, or the accuracy or suitability of the documents in relation to this offer.

Any statement to this effect would be illegal.

Those wishing to purchase or subscribe to units will have to certify in writing that they are not a US Person. All unitholders must immediately inform the management company should they become a US Person. Any unitholder 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 as defined by FATCA;
- 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: French non-reporting financial institution deemed to be in compliance (Annex II, II, B of the aforementioned agreement: [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf))

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

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

The recommended minimum investment period is 2 years.

#### □ **Procedures for the calculation 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 Fund, distributable amounts consist of:

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

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

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

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

#### □ **Characteristics of the units:**

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

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

Unit classes A-CHF and P-CHF:

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

Unit class P-GBP:

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

Unit classes A-USD and P-USD:

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

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

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

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

CACEIS Bank  
1-3, Place Valhubert  
75013 Paris – France

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

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

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

#### □ **Charges and Fees:**

##### • **Entry and exit charges**

Entry charges increase the subscription amount paid by the investor, while exit charges decrease the redemption amount paid to the investor. The commissions accruing to the Fund are used to offset the costs borne by the Fund when buying or selling the assets entrusted to it. Fees not accruing to the Fund (payable to third parties) revert to the management company, the advisor, or marketer, etc.

Charges payable by the investor on subscriptions and redemptions	Base	Rate (all unit classes)
Subscription fees not accruing to the Fund	Net asset value x no. of units	2% maximum
Subscription fees accruing to the Fund	Net asset value x no. of units	None
Redemption fees not accruing to the Fund	Net asset value x no. of units	None
Redemption fees accruing to the Fund	Net asset value x no. 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 transfer fees, if any, that may be charged by the custodian and the management company.

The following charges may be levied 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 invoiced to the Fund.

	Fees charged to the Fund	Base	Rate scale
1	Management fees	Net assets	Unit classes A-EUR, A-CHF and A-USD: 1.95% (incl. taxes) Unit classes P-EUR, P-CHF, P-GBP and P-USD: 1.25% (incl. taxes)
	Administrative fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers)	Net assets	
2	Maximum indirect fees (commissions and management fees)	Net assets	None
3	Maximum transfer fees per transaction (charged by the custodian) (*)	Flat fee for each transaction.  <b>Securities and money market products</b>  Euro zone and mature markets Emerging markets <b>“Vanilla” OTC products</b> <b>“Exotic” OTC products</b>  <b>Cleared derivatives</b>	  EUR 0-120 EUR 0-200 EUR 0-50 EUR 0-150  EUR 0-150
3	Performance fee (**)	Net assets	14.95% (including taxes) of the Fund's performance in excess of the 12-month rolling average of the Capitalised EONIA(***) +300 basis points.

(\*) To perform the task it has been assigned, and acting in its capacity as fund custodian, the custodian applies a fixed or flat rate

per transaction, depending on the type of securities, the markets and the financial instruments traded. Any additional fees paid to an intermediary are passed on in full to the Fund, and are recognised under transaction fees, in addition to the commissions charged by the custodian.

(\*\*) The performance fee is based on the difference between the Fund's performance and the performance of a benchmark asset indexed to the Capitalised EONIA +300 basis points and including the same subscription and redemption transactions as the Fund.

- Upon redemption, any outperformance provision for the units concerned definitively accrues to the investment management company,
- For subscriptions, the outperformance fee, if any, is provisioned on a prorated basis.

Should the Fund outperform the objectives set, a provision for variable fees is made whenever the net asset value is determined. Should the Fund underperform, the provision will be written back, capped at the level of the existing allocation. Any variable management fees are paid annually and solely on Fund units that have been active during the full year.

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

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

Income derived from temporary purchases and sales of securities 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 compensation in connection with these transactions nor is it bound to any third party.

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

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

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

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

## **IV - COMMERCIAL INFORMATION**

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

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

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

The full Prospectus of the Fund, the latest annual reports, the breakdown of assets, the Voting Policy and Exercise of Voting Rights procedure, as well as the net asset value are available at the Company's registered office, and are sent within eight business days upon written request by the unitholder:

#### **VARENNE CAPITAL PARTNERS**

42, Avenue Montaigne 75008 Paris – France

#### **Application of environmental, social and governance (ESG) criteria**

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

## **V – INVESTMENT RULES**

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

## VI – GLOBAL RISK

The Fund's overall risk has been calculated on the basis of the Monte Carlo absolute Value at Risk method, with a 99% confidence level over a 20-day period. Based on this method, the regulatory limit is set at 20% of the Fund's net assets.

## VII – ASSET VALUATION AND ACCOUNTING RULES

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

- Transferable securities traded on a regulated French or foreign market are valued at their market price. The reference market value is calculated in accordance with the methods approved by the management company. These methods are set out in the notes to the financial statements.

However:

- transferable securities the prices of which have not been determined as at the valuation date, or whose prices have been adjusted, are valued under the management company's responsibility at their foreseeable trading prices. These valuations shall be provided to the statutory auditors during audits, in addition to relevant evidence;
- transferable debt securities and similar securities that are not traded in large volumes are valued using an actuarial method. The reference rate used is the rate applied to issues of equivalent securities plus or minus, where applicable, a differential reflecting the specific characteristics of the issuer of the security. However, negotiable debt instruments with a residual duration of less than or equal to 3 months and assuming no specific sensitivity, may be valued according to the straight-line method. The methods used to apply these rules are determined by the management company. They are set out in the notes to the financial statements;
- Units or shares of UCITS, AIFs and foreign investment funds are valued at the last known net asset value;
- securities that are not traded on a regulated market are valued under the management company's responsibility at their foreseeable trading prices;
- Securities subject to a temporary acquisition or sale agreement are valued in accordance with the regulations in force; the methods of application are determined by the Management Company and specified in the notes to the financial statements;
- futures and options traded on a French or foreign regulated market are valued at their market value, according to the methods approved by the management company. They are set out 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 guarantees received are valued at their market price (mark-to-market). Daily variation margins are calculated as the difference between the mark-to-market valuation of guarantees furnished and the mark-to-market valuation of collateralised instruments.

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

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

## VIII – MANAGEMENT COMPANY'S COMPENSATION POLICY

The management company has set up a compensation policy aiming to ensure proper risk management and to monitor staff members' risk behaviour.

To this end, it has identified the employees concerned, set up appropriate and balanced thresholds between fixed and variable compensation, has established a vesting rule for 50% of the variable component and ties 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 written request to:

## IX – ADDITIONAL DISCLOSURES FOR SWITZERLAND

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

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

### **2. Paying agent**

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

### **3. Access to important documents**

The Prospectus and Key Investor Information Documents for Switzerland, the Fund rules, as well as the annual and interim reports may be obtained free of charge from the representative in Switzerland.

### **4. Publications**

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

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

#### 1. Retrocessions

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

Should a beneficiary of retrocessions grants these retrocessions to investors (partially or in full), the retrocessions shall not be considered as rebates. Beneficiaries of retrocessions shall guarantee transparent communication. They themselves shall inform investors, free of charge, of the compensation amount they may receive for distribution. Upon the request of investors, they shall report the amounts actually received for the distribution of collective capital investments held by the investors concerned. Applicable laws in the Company's place of registration do not set out rules in addition to Swiss rules governing retrocessions (as defined below) in Switzerland.

#### 2. Rebates

The Company and its agents do not pay rebates on distributions in or from Switzerland to reduce fees and costs borne by investors and paid to the Company. It is therefore not necessary to determine whether, in the Company's country of domicile, there is a more restrictive law than Swiss law regarding the granting of rebates in Switzerland.

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

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

Prospectus last updated: 06/02/2019

## 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 unitholder has a right of joint ownership over the Fund's assets, proportional to the number of units held.

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

#### Unit classes

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

The different unit classes may:

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

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

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

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

### Article 2 – Minimum capital

Redemption of the units may not be processed if the Fund's assets fall below 300,000 euro; if the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to liquidate the relevant fund, or to carry out one of the operations mentioned in Article 411-16 of the AMF General Regulation (transformation of the fund).

### Article 3 – Issuance and redemption of units

At any time, units are issued at the request of unitholders, on the basis of the net asset value plus any applicable entry charges.

Subscriptions and redemptions are executed under the terms and conditions and in accordance with the procedures set out in the Prospectus.

Fund units may be listed on a stock exchange in accordance with applicable regulations.

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

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

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

Day trades (i.e., subscriptions and redemptions of the same number of units on the same day and the same NAV and

commission-free) are accepted.

Except in the case of succession or a living gift, a disposal or transfer between unitholders, or from unitholders to a third party, is considered a redemption followed by a subscription. If a third party is involved, the amount of the disposal or the transfer must be made up by the beneficiary, in order to reach the minimum subscription level set out in the Prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial 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 under exceptional circumstances and if this is deemed necessary in order to protect the interests of unitholders.

If the net asset value of the Fund is lower than the regulatory amount, no unit redemptions may be carried out. The minimum subscription amount is specified under the terms and conditions set out in the Prospectus for each unit class.

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

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

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

#### **Article 5 – The Management Company**

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

In all circumstances, the management company acts in the sole interest of the unitholders, and it alone is entitled to exercise the voting rights attached to the securities held in the Fund.

#### **Article 5a – Operating rules**

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

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

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

#### **Article 6 – The custodian**

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

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

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

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

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 likely to have significant consequences for its financial position, income or assets;
2. Disrupt its continued operation or the conditions thereof;
3. Lead to the expression of reservations or a refusal to certify the financial statements.

The statutory auditor shall supervise the valuation of the assets and determination of exchange ratios used in the event of a conversion, merger or demerger.

The statutory auditor shall assess all contributions in kind.

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 statutory auditor certifies situations serving as the basis for the distribution of advance payments.

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

At each financial year-end, the management company prepares the financial statements and draws up a report on the Fund's management over 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 management company makes these documents available to unitholders within four months of the financial year-end, and notifies them of the amount of income to which they are entitled. These documents are sent by post if expressly requested by the unitholders, or are made available to them at the management company's offices.

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

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

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

For a Fund, distributable amounts consist of:

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

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

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

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

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

The Management Company may either merge all or part of the Fund's assets with another Fund, or split the Fund into two or more mutual funds.

These merger or demerger transactions may only take place after unitholders have been notified. They give rise to the issuance of a new certificate, specifying the number of units held by each holder.

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

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

The Management Company may dissolve the Fund early; it shall notify unitholders of its decision and as of that date subscription or redemption requests shall no longer be accepted.

The management company shall also wind up 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 inform the AMF of the winding-up date and procedures adopted. It shall then forward the statutory auditor's report to the AMF.

The management company may opt to extend the Fund's term, subject to the custodian's agreement. Its decision must be taken at least three months prior to the expiry of the Fund's term, and the unitholders and AMF must be informed thereof.

#### **Article 12 – Liquidation**

In the event that the Fund is wound up, the Management Company or the appointed liquidator, with his agreement, shall act as

liquidator; otherwise, the liquidator shall be appointed by the court at the request of any interested party. For this purpose, they shall be granted the broadest powers to sell the Fund's assets, settle any liabilities and distribute the available balance in cash or in securities to the unitholders.

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

## **SECTION 5 – DISPUTES**

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

All disputes relating to the Fund that may arise during the Fund's term or liquidation, either between the unitholders themselves or between the unitholders and the management company or the custodian, shall be heard by the courts with jurisdiction.

Last update of management rules: 06/02/2019.