

# Key Information Document (KID)

## PURPOSE

This document provides you with key investor information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains, and losses of this product and to help you compare it with other products.

## PRODUCT

### Varenne Selection (the “Fund”), Unit class P-USD (the “Units”) ISIN: FR0013358777

<b>Manufacturer:</b>	Varenne Capital Partners	<b>Website:</b>	www.varennecapital.com
<b>Address:</b>	42 avenue Montaigne 75008 Paris, France	<b>For more information:</b>	+33 (0)1 70 38 81 22

Varenne Capital Partners is authorised in France and regulated by the French financial markets authority, the *Autorité des Marchés Financiers* (AMF). This Fund is supervised by the AMF.  
This Key Information Document is accurate as of January 10th, 2024.

## WHAT IS THE PRODUCT?

### TYPE

The Units are a unit class in Varenne Selection (the “Fund”). The Fund is an Alternative Investment Fund (AIF) constituted as a **French General Purpose Professional Fund** (*Fonds Professionnel à Vocation Générale*) and subject to the provisions of French Monetary Code (*Code Monétaire et Financier*). Varenne Capital Partners is the management company of the Fund (the “Management Company”).

**The Fund is not subject to the same rules as general investment funds (open to non-professional investors) and may therefore carry higher risk. Only those persons mentioned in the “Target investors” section of the prospectus may purchase units in the Fund.**

### TERM

The Fund was created for 99 years starting December 1<sup>st</sup>, 2006. Varenne Capital Partners can terminate the Fund or the Units unilaterally. Dissolution may also occur in the event of a merger, a total redemption of units or when the net assets of the product fall below the regulatory minimum amount.

### OBJECTIVES

The objective of the Fund is to seek an annualised performance in excess of the Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) + 300 basis points over the recommended investment period, by relying on discretionary management. The Sub-Fund is actively managed and references the Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) + 300 basis points for comparison purposes and for Performance fee calculation purposes.

Using all the categories of financial assets Eurozone and non-Eurozone, described below, the Fund implements a discretionary strategy. However, the Fund will be permanently invested in at least 75% of its net assets in securities eligible for the French Equities Savings Plan (Plan d'Épargne en Actions - PEA).

For the equity component: our Enterprise Picking strategy draws on techniques applied in private equity to construct a relatively concentrated portfolio of companies enjoying a sustainable competitive advantage and presenting a deep discount to our intrinsic value estimate, the investment management team carries out weekly fundamental and performance screenings via its proprietary data bases.

The Absolute Short strategy aims to identify companies that are likely to face capital event, i.e., a recapitalisation, a capital

restructuring or a liquidation.

For the special situations component: the management team focuses exclusively on announced friendly mergers & acquisitions and capital restructurings.

**Derivative instruments** may be used via forwards or options, swaps and/or forward foreign exchange contracts, traded on regulated, organised or over-the-counter markets to hedge against or to gain exposure to equity, fixed income or foreign exchange risk. For the macro hedging component: the managers use instruments with an asymmetric risk/return profile, such as options, in order to limit the impact on the portfolio in the event of a negative economic scenario but without reducing the portfolio's market exposure level.

For the fixed-income component, investment may be made in Treasury issues, fixed- or floating-rate Government securities, Treasury bills, in secondary or primary market bonds in the form of sovereign or corporate debt.

The Fund may invest in units or shares of UCITS and/or AIFs without exceeding the limit of 10% of assets.

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

**SFDR Category:** Article 8

**Distribution policy:** non-distributing Units, net income and net realised capital gains are reinvested.

**Base currency:** USD. This Share Class will benefit from Currency Hedging at Share Class Level against EUR/USD currency risk.

**Redemption and dealing:** Units may be sold (redeemed) daily (France bank business days) as described in the prospectus.

**Order Schedule:** Orders for subscription and redemption, which are in thousandths of units, are received each net


asset value calculation day before 11 a.m. CEST (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown).

**Depository:** CACEIS Bank.

**More information:** You may get more information about the Fund including the latest prospectus, periodical report, last published share prices may be obtained, free of costs in English from Varenne Capital Partners or at [www.varennecapital.com](http://www.varennecapital.com).

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk indicator						
1	2	3	4	5	6	7
← lower risk				higher risk →		



The risk indicator assumes you keep the product for 5 years where the risk is considered to be significantly higher if the holding period is different. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you.

**Be aware of currency risk. If the currency of your account is different from the currency of the Share class, the payments you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

Other risks materially relevant to the Fund not included in the summary risk indicator:

**Counterparty risk:** this is the risk of default of a market participant preventing it from honouring its contractual obligations to the Fund.

**Liquidity risk:** Although the securities in the portfolio are by nature sufficiently liquid, under certain circumstances their liquidity could decline to the point that the Fund's overall liquidity may be adversely affected.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

## PERFORMANCE SCENARIOS

**What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.** The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. The scenarios shown are illustrations based on results from the past and on certain assumptions Markets could develop very differently in the future.

Recommended holding period: 5 years Investment: USD 10 000			
Scenarios		If you exit after	
		1 year	5 years
<b>Minimum</b>	There is no minimum guaranteed return. You could lose some or all of your investment.		
<b>Stress Scenario</b>	<b>What you might get back after costs</b>	USD 2 534	USD 2 680
	Average return each year	-74.7%	-23.2%
<b>Unfavourable Scenario</b>	<b>What you might get back after costs</b>	USD 7 492	USD 7 492
	Average return each year	-25.1%	-5.6%
<b>Moderate Scenario</b>	<b>What you might get back after costs</b>	USD 11 201	USD 17 696
	Average return each year	12.0%	12.1%
<b>Favourable Scenario</b>	<b>What you might get back after costs</b>	USD 15 942	USD 25 427
	Average return each year	59.4%	20.5%

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario shows what you might get back in extreme market circumstances.

## WHAT HAPPENS IF VARENNE CAPITAL PARTNERS IS UNABLE TO PAY OUT?

The assets of the Fund are held in safekeeping by its depository, CACEIS Bank. In the event of the insolvency of Varenne Capital Partners, the Fund's assets in the safekeeping of the Depository will not be affected. However, in the event of the

Depository's insolvency, or someone acting on its behalf, the Fund may suffer a financial loss. However, this risk is mitigated to a certain extent by the fact the Depository is required by law and regulation to segregate its own assets from the assets of the Fund. The Depository will also be liable to the Fund for any loss arising from, among other things, its negligence, fraud, or intentional failure properly to fulfil its obligations (subject to certain limitations as set out in the agreement with the Depository).

Losses are not covered by an investor's compensation or guaranteed scheme.

## WHAT ARE THE COSTS?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year, you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario,
- USD 10 000 is invested.

### COSTS OVER TIME

Investment USD 10 000		
Scenarios	If you exit after	
	1 year	5 years*
<b>Total Costs</b>	USD 343	USD 3 440
<b>Annual Cost Impact**</b>	3.43%	6.09%

\* Recommended holding period.

\*\* This illustrates how costs reduce your return each year over the holding period. For example, it shows that if you exit at the recommended holding period your average return per year is projected to be 17.04% before costs and 12.09% after costs. These figures include the maximum of the Entry costs that you may be charged (2% of the amount invested). The person selling you the product will inform you of the actual Entry cost charged.

### COMPOSITION OF COSTS

One-off costs upon entry or exit		If you exit after 1 year
<b>Entry costs</b>	Maximum 2% of the amount invested. This is the maximum you will be charged. The person selling you the product will inform you of the actual charge. No Entry cost payable to the Management Company.	Up to 200 USD
<b>Exit costs</b>	We do not charge an exit cost.	0 USD
Ongoing Costs taken each year		
<b>Management fees and other administrative or operating costs</b>	1.27% of the value of your investment per year. This is an estimate based on the actual costs calculated as of 29/12/2023.	127 USD
<b>Transaction costs</b>	0.16% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the Fund. The actual amount will vary depending on how much we buy and sell.	16 USD
Incidental costs under specific conditions		
<b>Performance fees</b>	Maximum 14.95% (after tax) of the Units' positive performance exceeding the maximum between High Water Mark *** and the Hurdle***, the annualised 12-month rolling average of capitalised EURO STR (€STR) + 300 basis points (floored at 0). The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 5 years. *** As defined in the prospectus.	242 USD

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

**RECOMMENDED HOLDING PERIOD: 5 years.** It is based on our assessment of the risk and reward characteristics and costs of the Fund. You can sell and redeem units at the frequency as set out in the section "What is this product?". Cashing in before the recommended holding period will increase the risk of lower investment returns.

## HOW CAN I COMPLAIN?

If you have any complaints, you may:

- Mail : Varenne Capital Partners- 42 avenue Montaigne, 75008 Paris, France
- Email : [contact@varennecapital.com](mailto:contact@varennecapital.com)

In the case of a complaint, you must clearly indicate your contact details (name, address, phone number or email address) and provide a brief explanation of your complaint. More information is available on our website [www.varennecapital.com](http://www.varennecapital.com).

If you have a complaint about the person that advised you about this product, or who sold it to you, they will tell you where to complain.

## OTHER RELEVANT INFORMATION

The information contained in this KID is supplemented by the articles of incorporation and the prospectus. Further information about the Fund, including a copy of the prospectus, latest annual report and any subsequent half-yearly report can be found in English and in French at [www.varennecapital.com](http://www.varennecapital.com). A paper copy of the KID is available upon request, free of charge, from Varenne Capital Partners.

**Past performance and Performance scenarios:** The past performance of the Fund over the last 10 years and previous performance scenarios updated on a monthly basis can be found at [www.varennecapital.com](http://www.varennecapital.com).

When this product is used as a unit of account in a life insurance or capitalization contract insurance, additional information on this contract, such as contract costs that are not included in the costs indicated in this document, who to contact in the event of a claim, and what happens in the event of the insurance company's default are set out in the contracts, which must be provided by your insurer or broker, or any other insurance intermediary or any other insurance intermediary, as required by law.