

Key investor information

This document includes key investor information about this AIF (the "Fund"). It is not marketing material. The information contained herein is required by law, in order to help you understand what investing in this Fund involves, as well as the related risks. You are encouraged to read this document in order to make an informed decision about whether to invest or not.

VARENNE SELECTION – Unit class P-USD – ISIN: FR0013358777
Management company: VARENNE CAPITAL PARTNERS
AIF governed by French law

OBJECTIFS ET POLITIQUE D'INVESTISSEMENT

AMF classification: none

Investment objective: The aim of the Fund is to seek, over the recommended investment horizon, an annualised outperformance of the 12-month rolling average of capitalised EONIA + 165 basis points, less all fees charged to the Fund (except the performance fee), 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 is not connected to any benchmark index; however, the performance of the Fund net of fees may be compared ex post with the objective set out above.

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

Main financial asset classes:

For the equities component; the Enterprise Picking strategy draws on techniques applied in the private equity space to construct a concentrated portfolio of companies enjoying a sustainable competitive advantage and presenting a deep discount to our intrinsic value estimate. After excluding the riskiest sectors, such as technology, financials and cyclical businesses, the investment management team carries out weekly fundamental and performance screenings via its proprietary databases.

The Absolute Short strategy aims to identify companies that face a likely "capital event" within 18 to 24 months, such as recapitalisation, capital restructuring or liquidation.

For the Special Situations component; the management team focuses exclusively on announced and friendly mergers & acquisitions and capital restructurings. This strategy helps reduce the portfolio's correlation to indices and provides the Fund with additional returns, particularly in the event of market downturns.

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 gain exposure to equity, fixed-income or foreign exchange risk.

For the macro hedging component; managers use instruments with an asymmetric risk/return profile, such as options, in order to protect the portfolio in the event of a negative economic scenario without, however, reducing the portfolio's market exposure.

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

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

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

The net asset value is calculated on a daily basis.

Subscription and redemption orders, which are in thousandths of units, are received each Net Asset Value calculation day before 11.00 am CEST (D) at CACEIS Bank, and are executed on the basis of the next NAV (price unknown). The settlement-delivery date for subscriptions and redemptions is plus three business days (D+3).

Net income and net realised capital gains are reinvested.

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

PROFIL DE RISQUE ET DE RENDEMENT



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Historical data used to calculate this synthetic indicator may not be a reliable indication for the Fund's future risk profile. 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 5**". This level reflects the discretionary management approach implemented by VARENNE CAPITAL PARTNERS, a style of asset management based primarily on equity investments in European companies.

MATERIAL RISKS TO THE FUND, NOT TAKEN INTO ACCOUNT IN THE INDICATOR

- Impact related to asset management techniques: risk of increased losses, due to the use of derivatives traded on regulated, organised and OTC markets.
- Where applicable, the Fund may be exposed to the liquidity risk inherent to small- and mid-cap companies.

CHARGES

The fees and charges paid are used to cover the cost of running the Fund, including marketing and unit distribution costs. These charges reduce the potential growth of the investments.

| One-off charges deducted before or after you invest | |
|--|--|
| Entry charges | 2% |
| Exit charges | None |
| Charges deducted by the Fund over one year | |
| Ongoing charges | 1.35% (1) |
| Charges deducted from the Fund under certain specific conditions | |
| Performance fee | <p>Amount of performance fee charged in the last financial year: N/A</p> <p>This fee is at most 14.95% (after tax) of the positive return of each unit class over and above the specified index.</p> |

This is the maximum that might be taken out of your money before it is invested. Investors may pay less in certain cases.

Investors may ascertain the actual amount of entry and exit charges from their financial advisor or distributor.

(1) As the Fund has not yet completed its first financial year, only an estimate of ongoing charges is shown. These charges will be published in this document after the end of the Fund's first financial year.

This percentage may vary from year to year.

Ongoing charges do not include:

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

For more information about charges, please see the "Charges and Fees" section of this AIF's prospectus, which is available on the company's website.

PAST PERFORMANCE – Unit class P-USD

Launch during 2018. Under no circumstances may a performance calculated over less than one year be presented.

- Past performance is not a reliable indicator of future results.

- The performance of the Fund is calculated with net dividends reinvested and excluding entry charges.

- The Fund was created on 10 November 2006 and the unit class P-USD was launched on 3 September 2018.

- Performance will be calculated in US dollars.

- The first full financial year will end on 31 December 2020.

The diversified, flexible and discretionary nature of the Fund makes an *ex-ante* comparison with a benchmark index irrelevant. The performance of this Fund may be compared only *ex post* to the objective set out above.

INFORMATIONS PRATIQUES

Custodian: CACEIS Bank

The monthly reports, the half-yearly management reports, the AMF prospectus, historical data on the net asset values of the Fund and the management company's compensation policy are available on www.varennecapital.com.

Taxation: The Fund is eligible for the French PEA equity savings plan. Depending on your tax status, any capital gains and income generated by owning units in the Fund may be subject to taxation. We recommend that you obtain further information on this matter from the Fund's marketer.

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

The Fund is authorised in France and is regulated by the French Financial Markets Authority (AMF). Varenne Capital Partners is authorised in France and is regulated by the French Financial Markets Authority (AMF).

The Fund offers other units for investor categories included in its prospectus.

This key investor information is accurate as at 18/11/2019.

VARENNE SELECTION is a General Purpose Professional Fund. It is not subject to the same rules as UCITS and may therefore carry a higher risk. Only those persons mentioned under "eligible investors", as defined in the Prospectus and in the Subscription Form, may purchase units in the VARENNE SELECTION Fund.