

VARENNE VALEUR I-USD

MONTHLY REPORT (I-USD) - SEPTEMBER 2019



NAV

1 003.70 \$

INVESTMENT OBJECTIVE

The Fund's objective is to target above average returns in a fund that mixes a concentrated long and short equity portfolio (long biased) with an overlay of merger arbitrage (long/short pairs or longs) and opportunistic tail risk hedging.

MONTHLY RETURNS

Years	January	February	March	April	May	June	July	August	Sept.	October	Nov.	Dec.	Yearly perf.
2016												-0.12%	-0.12%
2017	-0.01%	1.80%	1.98%	1.84%	0.77%	-0.69%	-0.74%	-0.72%	-100.00%	NaN%	NaN%	NaN%	-100.00%
2018	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	
2019	NaN%	NaN%	NaN%	NaN%	NaN%	NaN%	∞%	-1.13%	-0.04%				∞%

TOP 5 HOLDINGS (Equity)

ULTA BEAUTY	United States	6.24%
LVMH	France	5.82%
ACCENTURE	United States	5.78%
GIVAUDAN	Switzerland	5.77%
ASML	Netherlands	5.56%

NUMBER OF HOLDINGS PER FRAMEWORK

	Lines	Exposures	
Long Equity	21	64.12% ⁽²⁾	76.45% ⁽³⁾
Short Equity	1	7.47% ⁽²⁾	7.47% ⁽³⁾
Merger Arbitrage	7	12.27% ⁽²⁾	12.27% ⁽³⁾
Tail Risk Hedging	6	0.59% ⁽¹⁾	240.63% ⁽³⁾

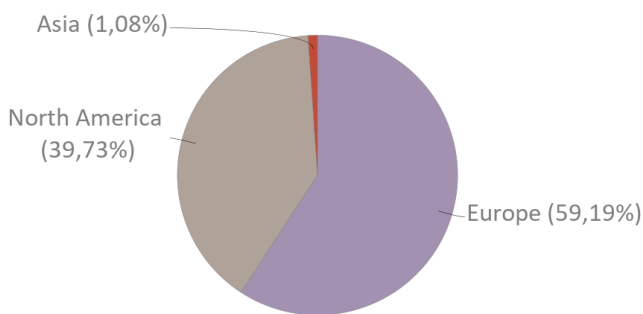
EXPOSURE BY CAPITALIZATION (Equity)

> EUR 3bn	81.47%
EUR 500m - 3bn	14.45%
< EUR 500m	4.08%

CURRENCY EXPOSURE (excluding tail risk hedging²)

	USD	EUR	GBP	CHF	CAD	DKK	SGD
Exposure	25.20%	19.99%	8.49%	5.77%	5.07%	4.95%	0.62%
Hedging	22.17%	-	8.49%	-	3.53%	-	0.25%
Net exposure	3.03%	19.99%	-	5.77%	1.54%	4.95%	0.37%

GEOGRAPHIC BREAKDOWN (Equity²)



TOP 10 SECTORS (GICS sub-ind, Equity²)

Apparel, Accessories & Luxury Goods	20.55%
Specialty Stores	10.80%
IT Consulting & Other Services	9.99%
Specialty Chemicals	9.98%
Semiconductor Equipment	9.62%
Pharmaceuticals	8.56%
Movies & Entertainment	8.46%
Restaurants	6.11%
Footwear	6.01%
Packaged Foods & Meats	2.64%

MONTHLY RETURN ATTRIBUTION PER FRAMEWORK

Long - Equity	0.62%
Short - Equity	-0.60%
Special Situations	0.16%
Tail Risk Hedging	-0.05%

TOP 5 CONTRIBUTORS

ASML	Long - Equity	0.44%
NIKE	Long - Equity	0.38%
ULTA BEAUTY	Long - Equity	0.33%
WALT DISNEY	Long - Equity	-0.25%
GIVAUDAN	Long - Equity	0.22%

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CUMULATIVE AND ANNUALIZED RETURNS

	CUMULATIVE			ANNUALIZED
	Year to date	1 year	Inception	Inception
VARENNE VALEUR	∞%	∞%	0.37%	0.13%

ANNUALIZED VOLATILITY

VARENNE VALEUR

MONTHLY COMMENTARY

Contribution : The fund's performance was primarily driven by the Long equity component (+0.62%) and the Special situations strategy (+0.16%). The main sources were ASML call options (+0.44%), Nike (+0.38%) and Ulta Beauty (+0.33%). Conversely, the short (-0.60%) and long baskets (-0.58%) weighed on monthly performance.

Long Equity : No major change was made to the portfolio.

Short Equity : No major change was made to the portfolio.

Merger Arbitrage : We opened two new positions in BCA Marketplace (UK) and Pivotal Software (US). The offers on Finisar (US) and Tribune Media (US) were successfully completed.

Tail Risk Hedging : The fund is hedged against economic and financial risks through credit derivatives (CDS on subordinated financial debt and the 7–15% tranche of the CDX Investment Grade North America), swaps on the US yield curve (Cap CMS 2s10s), put options on indices (put-on-best EuroStoxx 50/Nikkei and put EuroStoxx 50/EURUSD), and yen/dollar put options maturing in 2023.

TERMS AND CONDITIONS

Fund status	UCITS / Unit Trust	Investment manager	Varenne Capital Partners
Benchmark	None	Custodian	CACEIS BANK
Initial NAV	1 000 \$	End of year	Last trading day of December
NAV frequency	Daily	Subscribers concerned	All subscribers
Term investment	5 years	Subscriptions/Redemptions	Daily before 11am
Currency	Dollar	Subscription fee	Up to 2%, fully paid to distributors when applicable
Fund inception	31/01/2003 (A-EUR)	Redemption fee	None
Class inception	27/12/2016	Management fee	1.100% of Net Assets
AMF approval	GP-06 000004	Performance fee	0.00% of the Fund's performance. Hurdle Rate: Average TEC 5 annual yield calculated over the 12 most recent months
ISIN	FR0013223583		
Bloomberg	VARVALU FP Equity		
VALOR	34902346		

(1) : Gross exposure, mark-to-market, (2) : Gross exposure, delta-adjusted, (3) : Gross exposure, notional

Data sources: Varenne Capital Partners

Past performances do not guarantee future returns. Please consult the fund's prospectus prior to making any investments. Data included in this document relates exclusively to the I-USD unit of FCP VARENNE VALEUR. Data for other units differ. This document has been published solely for information purposes and does not therefore constitute, whether in full or in part, investment advice, or an offer, personalised recommendation or a solicitation to subscribe to, or redeem units, equities or other shares in the investment products presented.

The prospectus and the Key Investor Information Documents for Switzerland, the Fund rules, the annual and semi-annual reports in French, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The last units prices can be found on www.fundinfo.com. For the units of the Funds distributed to non-qualified investors in and from Switzerland and for the units of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva. The past performance is no indication of current or future performance, and it does not take account of the commissions and costs incurred on the issue and redemption of units.

VARENNE CAPITAL PARTNERS

French joint stock company – Registered with the Trade and Companies Register of Paris under number B 445 000 136

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