

## Key investor information

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

### VARENNE VALEUR - Unit class U-EUR - ISIN code: FR0013250966 Management company: VARENNE CAPITAL PARTNERS

#### INVESTMENT OBJECTIVES AND POLICY

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

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

For the equity component: our Enterprise Picking strategy draws on techniques applied in private equity 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 most risky sectors, such as technology, financials and cyclical businesses, 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 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 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 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 protect the portfolio in the event of a negative economic scenario but without reducing the portfolio's market exposure level.

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

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

Orders for subscription and redemption, which are in thousandths of units, are received each Net Asset Value calculation day before 11 a.m. CEST (D) at CACEIS Bank and executed on the basis of the next net asset value (price unknown). Settlement is on value date the following day (D+2).

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

#### RISK AND REWARD PROFILE

← Lower risk, potentially lower rewards → Higher risk, potentially higher rewards →

1	2	3	4	5	6	7
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Historical data used to calculate this synthetic indicator may not be a reliable indication for the future risk profile of the Fund. The level of the risk indicator in the past does not serve as a guide to its level in the future. The lowest category does not mean "risk-free".

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

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

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

- Where applicable, the Fund may be exposed to the liquidity risk inherent in securities of small and mid-sized companies.

## CHARGES FOR THIS FUND

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charges</b>	<b>2%</b>
<b>Exit charges</b>	<b>None</b>
Charges taken from the fund over a year	
<b>Ongoing charges</b>	<b>1.96%</b>
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	<p><i>Amount of performance fee charged in the last financial year:</i>  <b>N/A</b>                      This fee represents a maximum of 14.95% (including taxes) of the Fund's positive performance exceeding the annualised 12-month rolling average of the CNO-TEC 5.</p>

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

### Ongoing charges do not include:

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

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

## PAST PERFORMANCE - UNIT CLASS U-EUR



Annual performance of Varenne Valeur unit class U-EUR

- 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 currency in which the past performance has been calculated is the euro.
- The Fund was authorised on 24 January 2003 and the unit class U-EUR was launched on 5 April 2017.

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

## PRACTICAL INFORMATION

### Custodian: CACEIS Bank

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

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

Varenne Capital Partners may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund. The Fund offers other units for investor categories described in its Prospectus.

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

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