

**VARENNE CAPITAL PARTNERS**

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## I. Introduction

Varenne Capital Partners takes all reasonable steps to identify conflicts of interest arising in the provision of investment and related services or the management of UCITS or AIFs, taking into account the following situations:

1. Acquisition of interest or conflict of interest between the Management Company, its staff, its executives or any individual directly or indirectly linked by control, on the one hand, and its clients, on the other hand;
2. Acquisition of interest or conflict of interest between two unitholders or two UCIs managed by the Management Company;
3. Acquisition of interest or conflict of interest between a unitholder and a UCI managed by the Management Company.

The following may arise from these situations:

- The realisation of financial gain at the expense of the client(s);
- An interest in the outcome of the service provided to the client or of a transaction carried out on behalf of the client that differs from the client's interest in the outcome;
- An incentive, for financial or other reasons, to prioritise the interests of another client, another UCI or a group of clients over the interests of the client or the UCI to which the service is provided;
- The service provider or that individual exercises the same professional activity as the client;
- The receipt of a benefit in connection with the service provided to the client, in any form whatsoever, other than the commission or fees normally charged for such service and provided for in the UCI documentation or in a contract.

Reference legislation:

AMF General Regulation articles 318-13, 319-3, 319-21, 319-22 and 321-46 to 321-50.

## II. Identification of situations that give rise or could give rise to a conflict of interest

Varenne Capital Partners has identified a number of potential conflicts of interest which are presented in a conflict of interest risk map.

If, as a result of the growth of new business lines, the Management Company is exposed to new conflict of interest risks, the conflict of interest risk map will be updated by the CCO.

This identification of potential risks enables the Management Company to implement preventive and/or monitoring measures.

## A. Risk indicators

### 1. Transactions on the error account

(Allocate a gain and/or do not record a loss to the error account at the expense of the funds under management) The Management Company has an error account. The follow-up of operational errors is included in the Management Company's ongoing monitoring programme and any accounting transaction on this account triggers the drafting of a *Post-Mortem* by the CCO or Senior Management.

### 2. Reallocation of orders

Pre-allocation of trades by managers, in accordance with internal policy, which makes it impossible to allocate trades *a posteriori*.

### 3. Complaints

According to the current complaints policy, any complaint from a unitholder or client is subject to a *Post-Mortem* analysis by the CCO

## B. 'Direct or indirect remuneration received by the Management Company or its employees' category

### 1. Portfolio rotation

The Management Company charges fixed and variable management fees. No transaction fee is charged by Management Company, which eliminates any incentive for the managers to rotate portfolio positions in order to make money for the Company.

### 2. Method of employee remuneration

Employee remuneration consists of a fixed and a variable portion. The variable portion is not strictly linked to the performance of the funds under management, so as not to encourage indiscriminate risk-taking (please refer to the Remuneration Policy in force).

### 3. Soft commissions, gifts and benefits

The Varenne Capital Partners Code of Ethics prohibits the acceptance of soft commissions from financial intermediaries. Gifts and benefits given and received must be reported to the CCO. The CCO must approve gifts of more than EUR 150. As a consequence, any employee who receives a gift must complete the gift declaration form (Appendix 1 of the Code of Ethics) and send it to the CCO for approval.

Such commissions or gifts include those that are received and those that are given.

## C. 'Proprietary transactions of the Management Company, its executives and employees' category

Each employee has acknowledged receipt of the Code of Ethics. Once a year, employees report their securities accounts (and those on which they have the entitlement to act) as well as the transactions

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recorded on these accounts. This system, controlled by the CCO, is provided for in the policy relating to the prevention and detection of market abuse.

The Company is authorised to invest a portion of its equity in the UCIs it manages for the purpose of contributing seed capital or to add value to a unit, or to grow its equity over the long term. Its interest is consistent with that of the unitholders.

### D. 'Ancillary activities of executives or employees of the Management Company' category

There is an ad-hoc policy in the Code of Ethics for annual declarations by current and incoming executives, employees and trainees.

### E. 'Organisation and procedures' category

#### 1. Sharing of premises

The Management Company site is not shared with another company since it occupies an entire floor at its premises.

#### 2. Links to other companies

Varenne Capital Partners is not linked to any company.

#### 3. Intervention of service providers

Some individuals on the company premises divide their work hours among other companies, i.e. HR specialists, business introducers and marketing consultants.

## III. Measures aimed at preventing conflicts of interest

As part of its prevention of conflicts of interest policy, Varenne Capital Partners has decided on the following measures for transactions in a personal capacity. These measures are laid down in the Code of Ethics;

- All members of the management team must prioritise the interests of the unitholders of the funds managed by the Company and refrain, together with their family members, from performing any securities transaction or acting in a manner likely to prejudice to such unitholders;

- In particular, an employee or trainee may not participate in a transaction involving individuals or bodies to which he or she is linked by a significant link or financial interest. Likewise, the Company's executives, corporate officers, employees and individuals acting on behalf of, or at the disposal of, the Company shall under no circumstances invest jointly with organisations managed or advised by the Company. Finally, members of the management team will never be allowed to manage the Company's own account;

- Members of the Company's management team are, however, authorised to subscribe units in the funds managed by the Company, provided that the resulting subscriptions and redemptions are made on the same terms as for other unitholders;

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- Key persons are prohibited from engaging in activities that run contrary to their duties or are likely to place them in a situation that would generate a conflict of interest with the Company, or any of the funds managed by the Company;
- Employees must formally refrain from soliciting or accepting gifts or advantages in respect of intermediaries or clients that could compromise their impartiality or decision-making autonomy. Employees must refrain from accepting any form of remuneration from intermediaries. In the interests of transparency, employees must systematically inform their supervisors of any gifts and benefits they receive worth more than EUR 150. If in doubt, employees shall inform their superiors and the CCO immediately;
- No employee or trainee may receive remuneration directly or indirectly from intermediaries with which the Company has a relationship;
- No employee or trainee should ever take advantage of his or her relationship of trust with a client, with whom he or she has no family ties, to solicit legacies or donations. If an employee becomes aware of such an operation to his or her advantage, he or she shall immediately inform his or her superiors;

### IV. Measures aimed at managing conflicts of interest

Any employee who encounters a conflict of interest must inform the CCO, specifying the information regarding the nature of the conflict of interest and the details of the interests involved, even if doubts remain.

The CCO shall address the conflict of interest, consulting with the management of VCP if necessary. In the event of a disagreement between the executives and the CCO, the decision of the latter shall prevail.

In the event of a proven conflict of interest with a client or business partner where this dispute cannot be resolved, he or she shall be informed prior to any transaction so that any appropriate decision may be taken, including, if desired, terminating the relationship with Management Company.

In this specific case, the head of VCP must personally inform the business partner. If the business partner nevertheless chooses to use the Management Company, he or she shall be provided with an information document validated by the CCO together with an acknowledgement of receipt to be signed. All dated and signed acknowledgements of receipt are provided to the CCO.

Whenever a conflict of interest is identified, the CCO shall address it and update the conflict of interest register.

### V. Monitoring of the system for preventing and managing conflicts of interest

The CCO updates the potential conflicts of interest map and conducts ongoing monitoring to ensure compliance with the measures set out above.

### VI. Conflict of Interest register

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Varenne Capital Partners keeps and regularly updates a register recording the types of investment or related services, or other activities, it carries out or has carried out on its behalf for which a conflict of interest involving a significant risk to the interests of one or more of its clients has occurred or, in the case of an ongoing service or activity, is likely to occur.

This register is confidential and exhaustively and explicitly lists all conflicts of interest identified, by year, with the transaction reference and its date. If there are no conflicts of interest, the register shall contain the entry NONE.

It is updated, on an ongoing basis, by the CCO.