

VARENNE VALEUR FCP

MONTHLY REPORT (A-USD UNIT) - JUNE 2017



NAV

\$105.27

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 PERFORMANCE

Years	January	February	March	April	May	June	July	August	Sept.	October	Nov.	Dec.	Yearly Perf.
2016	-	-	-	-	-	-	0.15% ²	-0.83%	-0.31%	-0.81%	1.29%	0.90%	0.38% ²
2017	-0.06%	1.74%	1.94%	1.80%	0.12%	-0.74%							4.87%

TOP 5 HOLDINGS (Equity)

LVMH	Long Equity	France
WPP	Long Equity	United Kingdom
TJX COMPANIES	Long Equity	United States
THE PRICELINE GROUP	Long Equity	United States
NOVO NORDISK	Long Equity	Denmark

NUMBER OF HOLDINGS

Equity	23
Special Situations	4
Tail Risk Hedging	5

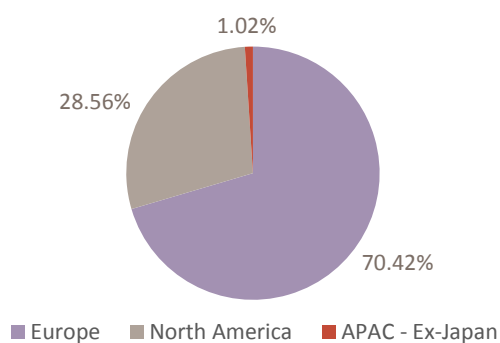
EXPOSURE BY MARKET CAPITALIZATION (Equity)

> EUR 3bn	77.12%
EUR 500m – 3bn	16.21%
< EUR 500m	6.67%

CURRENCY EXPOSURE (Mark-to-market, excluding Tail Risk Hedging)

	USD	GBP	DKK	CHF	SGD	HKD	CNH
Exposure	18.25%	18.25%	5.12%	3.94%	0.37%	0.15%	0.00%
Hedging	13.51%	13.51%	-	0.00%	0.13%	-	0.50%
Net Exposure	4.74%	4.74%	5.12%	3.94%	0.24%	0.15%	-0.50%

GEOGRAPHIC BREAKDOWN (Equity, gross exposure, mark-to-market)



TOP 10 SECTORS (GICS sub-ind. - Equity, gross exposure, mark-to-market)

Apparel, Accessories & Luxury	20.31%
Advertising	12.05%
Apparel Retail	9.81%
Internet & Direct Marketing Retail	9.67%
Pharmaceuticals	9.55%
Specialty Chemicals	7.00%
Packaged Foods & Meats	4.71%
Movies & Entertainment	4.61%
Footwear	4.41%
Restaurants	3.64%

¹ Risk indicator scored on a scale of 1 (lower risk) to 7 (higher risk). Category 1 does not mean "risk-free". This indicator may change over time.

² Inception A-USD unit: 7/19/2016

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CUMULATIVE AND ANNUALIZED PERFORMANCE

	Year to date	CUMULATIVE 1 year	Since Inception ²	ANNUALIZED Since Inception ²
VARENNE VALEUR	4.87%	-	5.27%	-

ANNUALIZED VOLATILITY

Annualized volatility % (w)	1 year	Since Inception ²
VARENNE VALEUR	-	-

INVESTMENT MANAGEMENT REVIEW

Macro Context: The US Federal Reserve raised its main key rate by 25 basis points for the second time this year. Ten-year government bond yields rose, including the Bund by 16bp to 0.47% and the Gilt by 21bp to 1.26%. High yield bond yields were stable at 2.42% in Europe and rose to 5.73% in the US. Volatility moved back up to 11.18% on the VIX (S&P 500) and to 17.25% on the VSTOXX (EURO STOXX 50).

Industrial metals gained on the month, including copper (up 4.49% to \$5,937/tonne), while precious metals traded sideways, with gold slipping by 2.15% to \$1,241.61/ounce. Crude oil continued to slide in June, falling by 4.72% to \$46.04. On the forex markets, the euro continued to strengthen vs. the dollar (+1.62% to 1.14), vs. the Swiss franc (+0.63% to 1.09), and vs. sterling (+0.55% to 0.87).

Equity (Long Equity and Short Equity): We sold off our holding in Fnac Darty (FR) and scaled back our exposure to Nike (US) and Marr (IT).

Merger Arbitrage: We increased our exposure to the simplified takeover bid announced by Groupe Arnault (FR) for Christian Dior (FR). We tendered our Syngenta (CH) shares to the bid from China National Chemical Corp (CN).

Tail Risk Hedging: The fund is hedged against a risk of economic crisis or monetary shocks, mainly in the form of a S&P 500 variance/volatility swap, put-on-best options on the Eurostoxx 50 and Nikkei maturing in March 2020 and yen/dollar put options maturing in 2023.

TERMS AND CONDITIONS

Fund Structure	UCITS / Unit Trust	Administrator	CACEIS Fund Administration
Type	Accumulation	Subscriptions/ Redemptions	Daily No minimum
Benchmark	None	Subscription Fee	Up to 2%, fully paid to distributors when applicable
Initial NAV	\$100	Redemption Fee	None
Inception	01/31/2003 (A-EUR unit)	Management Fee	1.794% of Net Assets
Isin	FR0013192507 (A-USD unit)	Performance Fee	14.95% of the Fund's performance
Bloomberg	VARVALD FP		Hurdle Rate: Average TEC 5 annual yield calculated over the 12 most recent months
Investment Manager	Varenne Capital Partners		
	AMF Approval no. GP-06 000004		
Custodian	CACEIS BANK		

² Inception A-USD unit: 7/19/2016

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 A-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.

VARENNE CAPITAL PARTNERS

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