Varenne UCITS

Société d'investissement à capital variable (SICAV)

an undertaking for collective investment in transferable securities (UCITS)
in the form of an open-ended investment company with variable share capital

subject to the Luxembourg law of 17 December 2010 relating to
undertakings for collective investment, as amended

Prospectus

April 2026

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1. INTRODUCTION

This Prospectus contains information about **Varenne UCITS** that a prospective investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated on 30 July 2021 under the laws of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the 2010 Law.

The Fund has been authorised by the CSSF which is the Luxembourg supervisory authority of the financial sector. However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio of assets held by the Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Fund is registered with the Luxembourg Trade and Companies Register under number B257907. The latest version of the Articles of Association was published on the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on 10 August 2021.

This Prospectus is based on information, law and practice at the date hereof. The Fund cannot be bound by an out of date prospectus when it has issued a new prospectus, and investors should check with the Management Company and on www.varennecapital.com that this is the most recently published prospectus. Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report of the Fund, copies of which may be requested free of charge from the Management Company and on www.varennecapital.com.

Since 1 January 2023 and in accordance with Regulation (EU) 1286/2014, as amended, and the Commission Delegated Regulation (EU) 2017/653, as amended (collectively referred to as the "**PRIIPs Regulation**"), a KID is published for each Share Class where such Share Class is available to retail investors in the European Economic Area ("**EEA**").

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU (referred to herein as a "**Retail Investor**").

A KID will be handed over to Retail Investors and professional investors, where Shares are made available, offered or sold in the EEA, in good time prior to their subscription in the Fund. In accordance with the PRIIPs Regulation, the KID will be provided to Retail Investors and professional investors (i) by using a durable medium other than paper or (ii) at www.varennecapital.com in which case it can also be obtained, upon request and free of charge, in paper form from the Management Company free of charge.

An up to date KID for each relevant Share Class, must be made available to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KID for the relevant Share Class in which they intend to invest. Requests for subscription or conversion of Shares will be accepted upon verification by the Fund or the Management Company that the investor has received the relevant KID. The latest versions of the KID issued by the Fund are available free of charge on www.varennecapital.com and at the registered office of the Fund or the Management Company, during normal business hours on any Luxembourg and Paris Business Day.

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of any persons wishing to make an application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. In particular, the Board of Directors has decided that US Persons will be considered as Prohibited Persons.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into the languages specified by the regulatory authorities of those jurisdictions. In case of inconsistency between the translated and the English version of this Prospectus, the English version shall prevail.

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing. In particular, anti-money laundering measures in force in Luxembourg require the Fund or its agent to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.

2. DIRECTORY

Registered office of the Fund

5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Fabrice Huberty (Chairman)
Independent director

Thierry Goudin
Director -Head of Business Development
Varenne Capital Partners

Sarah Ksas
Director – Chief Compliance Officer,
Varenne Capital Partners

Charles Muller
Independent director

Management Company and Global Distributor

Varenne Capital Partners
31 avenue Pierre 1er de Serbie
75016 Paris
France

Conducting Persons of the Management Company

Giuseppe Perrone
David Mellul

Depositary

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

UCI Administrator

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Paying Agent

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers Assurance,
Société coopérative
2, rue Gerhard Mercator
L-1014 Luxembourg
Grand Duchy of Luxembourg

Legal adviser as to matters of Luxembourg law

Arendt & Medernach S.A.
41A, avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
1993 Law	the Luxembourg law of 5 April 1993 on the financial sector, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
UCI Administration Agreement	the agreement entered into between the Fund, the Management Company and the UCI Administrator governing the appointment of the UCI Administrator, as may be amended or supplemented from time to time.
Administrative Fee	means the Operating and Administrative Expenses related to the relevant Share Class and the fees of the Directors, the Depositary, the UCI Administrator and the Domiciliary Agent allocated to such Share Class.
UCI Administrator	the central administration, registrar and transfer agent appointed by the Management Company in accordance with the provisions of the 2010 Law and the UCI Administration Agreement, as identified in the Directory.
Annual Report	the report issued by the Fund as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Fund, as may be amended from time to time.
Benchmarks Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
Board of Directors	the board of directors of the Fund.
Brussels I (Recast)	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).

Business Day	a full business day on which banks and Eligible Markets in Luxembourg and/or France are opened and in such other countries or cities as may be specified for a Sub-Fund or Share Class in the Supplement.
Capitalisation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
Code of Conduct	the code of conduct adopted by the Board of Directors on the basis of the corporate governance principles issued by the Association of the Luxembourg Fund Industry, as may be amended or supplemented from time to time.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.
CRS	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law on the Common Reporting Standard.
CSSF	the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector.
Currency Hedged Share Classes	Share Classes for which a currency hedging strategy is implemented, as further described in the Prospectus. Currency Hedged Share Classes are identified in the Supplements.

Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.
Depositary	the depositary bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depositary Agreement, as identified in the Directory.
Depositary Agreement	the agreement entered into between the Fund, the Management Company and the Depositary governing the appointment of the Depositary, as may be amended or supplemented from time to time.
Directive 2005/60/EC	Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing as may be amended from time to time.
Directive 2006/48/EC	Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast), as may be amended from time to time.
Directive 2013/34/EU	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as may be amended from time to time.
Directive 2014/65/EU	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, and any delegated and implementing acts including the implementation of the Directive 2014/65/EU into Luxembourg law.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Distributors	intermediaries appointed by the Management Company.
Eligible Investor	an investor who satisfies all eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.

Eligible Market	a Regulated Market in an Eligible State
Eligible State	any Member State or any other state in (Eastern and Western) Europe, North America as determined by the Board of Directors
ESMA	the European Securities and Markets Authority.
ESMA Guidelines on Performance Fee	the ESMA Guidelines on performance fees in UCITS and certain types of AIFs (ESMA 34-39-992).
ESG	Environmental, Social and Governance
EU Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as may be amended from time to time.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
Feeder Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a feeder fund in the meaning of the 2010 Law.
Fund	Varenne UCITS
Initial Offer	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.
Institutional Investor	an institutional investor as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF.
KID	the document containing key information for investors pursuant to Regulation 583/2010 of 1 July 2010 or Regulation 1286/2014 of 26 November 2014, as applicable, and as referred to in the UCITS regulations, issued in relation to each Share class of each Sub-Fund.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Company	the management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Company Services Agreement, as identified in the Directory.

Management Company Services Agreement	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
Management Fee	the fee payable by the Fund to the Management Company under the Management Company Services Agreement, as described in section 10.2 (Management Fee) of this Prospectus.
Master Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a master fund in the meaning of the 2010 Law.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 8.6 (Conversion of Shares) of this Prospectus.
Non-Member State	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 8.6 (Conversion of Shares) of this Prospectus.
Paying Agent	the paying agent appointed by Management Company, as identified in the Directory.
Performance Fee	the fee which may be payable to the Management Company depending on the performance of certain Sub-Funds or Share Classes, where applicable, as described in section 10.3 (Performance Fee) of this Prospectus.

Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 8.10 (Prohibited Persons) of the Prospectus.
Prospectus	this prospectus including all Supplements, as may be amended from time to time.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares. The term “Redemption Form” shall be deemed to include redemption applications placed on electronic or other online trading platforms authorized by the Fund for such purposes.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the provisions of this Prospectus.
Reference Currency	as the context indicates, (i) in relation to the Fund, the Euro, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Sub-Fund or Share Class, the currency in which the Shares of that Sub-Fund or Share Class are denominated, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of Directive 2014/65/EU.

Semi-Annual Report	the report issued by the Fund as of the first half of the current financial year in accordance with the 2010 Law.
SFT	Securities financing transactions as defined in the SFTR, which include: (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy/sell-back transaction or sell/buy-back transaction or (iv) a margin lending transaction as defined under the SFTR.
SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended from time to time.
SFDR	Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as may be amended from time to time.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 8.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shareholder	A holder of Shares.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.
Sub-Fund	a sub-fund of the Fund, as described in section 8.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit subscriptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares. The term "Subscription Form" shall be deemed to include subscription applications placed on electronic or other online trading platforms authorised by the Fund for such purposes.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplements to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.
Sustainability Factors	environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
Sustainability Risks	environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Sub-Funds.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund has invested in accordance with the provisions of this Prospectus.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities

US Person or United States Person	unless otherwise specified in this Prospectus, a person described in one or more of the following paragraphs: any United States Person as defined in Regulation S under the United States Securities Act of 1933, as amended. "United States Persons" or "US Persons" shall be construed accordingly. For the purposes of further clarity, the term US Person shall not include any person whose application has been approved by the Board of Directors in its sole discretion.
Valuation Day	a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.

4. INVESTMENT STRATEGY AND RESTRICTIONS

Each Sub-Fund has a specific investment objective and policy described in its Supplement. The investments of each Sub-Fund must comply with the provisions of the 2010 Law. The investment restrictions and policies set out in this section apply to all Sub-Funds, without prejudice to any specific rules adopted for a Sub-Fund, as described in its Supplement where applicable. The Board of Directors may impose additional investment guidelines for each Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. Each Sub-Fund should be regarded as a separate UCITS for the purposes of this section.

4.1 Authorised investments

4.1.1 The investments of each Sub-Fund must comprise only one or more of the following.

(A) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.

(B) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public.

(C) Transferable Securities and Money Market Instruments admitted to the official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognised and open to the public.

(D) Recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or dealing on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, and that such admission is secured within one year of issue.

(E) Shares or units of UCITS or other UCI, whether or not established in a Member State, provided that the following conditions are satisfied:

(1) such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;

(2) the level of protection for shareholders or unitholders in such other UCI is equivalent to that provided for shareholders or unitholders in a UCITS, and in particular, the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;

(3) the business of the other UCI is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and

(4) no more than 10% of the assets of the UCITS or the other UCI whose acquisition is contemplated can, according to their constitutive documents, be invested in aggregate in shares or units of other UCITS or other UCI.

(F) Deposits with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, which are repayable on demand or have the right to be withdrawn and maturing in no more than twelve months.

(G) Financial derivative instruments, including equivalent cash-settled instruments, listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, or financial derivative instruments dealt in over-the-counter (OTC) provided that:

(1) the underlying consists of assets covered by this section 4.1.1 including instruments with one or more characteristics of those assets, and/or financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;

(2) the counterparties to OTC derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and

(3) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Fund.

(H) Money Market Instruments other than those dealt in on a Regulated Market or on another regulated market referred to in paragraphs (A) to (C) of this section, provided that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:

(1) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;

(2) issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section;

(3) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or

(4) issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that set out in paragraphs

(H)(1) to (H)(3) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

4.1.2 Each Sub-Fund may invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those identified in paragraphs (A) to (D) and (H) of section 4.1.1.

4.1.3 Each Sub-Fund may hold liquid assets on an ancillary basis. This should be understood as an exposure of up to 20% of its net assets to bank deposit at sight, such as cash held in current accounts with a bank accessible at any time in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. This limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of investors.

4.1.4 Each Sub-Fund may borrow up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction. Each Sub-Fund may also acquire foreign currency by means of a back-to-back loan.

4.1.5 The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-Fund may borrow up to 10% of its net assets for this purpose. However, the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.4 above may not exceed 15% of the net assets of the Sub-Fund.

4.1.6 Each Sub-Fund may invest into shares issued by other Sub-Funds of the Fund (called Target Sub-Funds) provided that, during the period of investment:

(A) the Target Sub-Fund does not, in turn, invest in the investing Sub-Fund and no more than 10% of the net assets of the Target Sub-Fund may be invested in other Sub-Funds;

(B) the voting rights attached to such Shares of the Target Sub-Fund are suspended; and

(C) the value of such Shares of the Target Sub-Fund will not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purposes of verifying the minimum threshold of net assets imposed by the 2010 Law.

4.2 Prohibited investments

4.2.1 The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any right or interest therein. Investments in financial instruments linked to, or backed by the performance of, commodities or precious metals, or any right or interest therein, do not fall under this restriction.

4.2.2 Except as set out in section 4.1.5, the Sub-Funds may not invest in real estate or hold any right or interest in real estate. Investments in financial instruments linked to, or backed by the performance of, real estate or any right or interest therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, do not fall under this restriction.

4.2.3 The Sub-Funds may not grant loans or guarantees in favour of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1 which are not fully paid-up. Furthermore, such restriction will not prevent any Sub-Fund from entering into repurchase agreements, buy-sell back transactions or securities lending transactions as described in section 4.6 (Efficient portfolio management techniques) below.

4.2.4 The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1.

4.3 Risk diversification limits

4.3.1 If an issuer or body is a legal entity with multiple sub-funds or compartments where the assets of each sub-fund or compartment are exclusively reserved to the investors of that sub-fund or compartment and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund or compartment, each sub-fund or compartment is to be considered as a separate issuer or body for the purpose of the application of these risk diversification limits.

Transferable Securities and Money Market Instruments

4.3.2 No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:

(A) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or

(B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.

4.3.3 The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 25% in respect of bonds that fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU ("**Directive (EU) 2019/2162**"), and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders ("**Covered Bonds**"). In particular, the proceeds from the issue of Covered Bonds must be invested, in accordance with applicable law, in assets which are capable of covering claims attached to such bonds until their maturity and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds, the total value of such investments may not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).

4.3.4 The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any non-Member State or by a public international body of which one or more Member States are members. Such securities are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).

4.3.5 Notwithstanding the limits set out above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.

Financial derivative instruments and efficient portfolio management techniques

4.3.6 The counterparty risk exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with a single body for the benefit of a Sub-Fund may not exceed 10% of the net assets of the Sub-Fund where the counterparty is a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, or 5% of its net assets in other cases.

Bank deposits

4.3.7 Each Sub-Fund may invest up to 20% of its net assets in deposits made with a single body.

Combined limits

4.3.8 Notwithstanding the individual limits set out in sections 4.3.2, 4.3.6 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:

(A) investments in Transferable Securities or Money Market Instruments issued by that body;

(B) bank deposits made with that body; and

(C) counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with that body.

4.3.9 The limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not be combined: investments in Transferable Securities or Money Market Instruments, bank deposits, counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques, issued by or undertaken with, a single issuer or body, each in accordance with the limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not exceed a total of 35% of the net assets of the Sub-Fund.

4.3.10 For the purposes of the combined limits set out in sections 4.3.8 and 4.3.9, issuers or bodies that are part of the same group of companies are considered as a single issuer or body. A group of companies comprises all companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules.

Sub-Fund replicating the composition of a financial index

4.3.11 Without prejudice to the limits laid down in section 4.4 (Control limits) below, the limits set out in section 4.3.2 are raised to 20% for investments in Transferable Securities or Money Market Instruments issued by a single issuer where the investment objective of the Sub-Fund is to replicate the composition of a certain financial index of stock or debt securities which is recognised by the CSSF.

4.3.12 The limit of 20% set out in the preceding section is raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

4.3.13 A financial index is an index which complies, at all times, with the following conditions: the composition of the index is diversified in accordance with the limits set out in sections 4.3.11 and 4.3.12, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

Shares or units of UCITS or other UCI

4.3.14 Unless otherwise specified in its Supplement, no Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI. If otherwise specified in its Supplement, the following limits will apply:

(A) investments made in shares or units of a single other UCITS or other UCI may not exceed 20% of the net assets of the Sub-Fund; and

(B) investments made in shares or units of other UCI may not, in aggregate, exceed 30% of the net assets of the Sub-Fund.

4.3.15 The underlying assets of the UCITS or other UCI into which a Sub-Fund invests do not have to be combined with any other direct or indirect investment of the Sub-Fund into such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.

4.3.16 If a Sub-Fund invests in shares or units of UCITS or other UCI that are managed, directly or by delegation, by the Management Company or by any other company which is linked to the Management Company by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares or units of such UCITS or other UCI.

4.3.17 If a Sub-Fund invests a substantial proportion of its assets in UCITS or other UCI, the Supplement will disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS or other UCI in which it intends to invest. The Fund will disclose in the Annual Report the maximum proportion of management fees charged to both the Sub-Fund itself and the UCITS or other UCI in which the Sub-Fund invests.

Derogation

4.3.18 During the first six (6) months following its authorisation, a new Sub-Fund may derogate from the limits set out in this section 4.3 (Risk diversification limits) above, provided that the principle of risk-spreading is complied with.

4.4 Control limits

4.4.1 The Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or to exercise a significant influence over the management of the issuer.

4.4.2 No Sub-Fund may acquire more than:

(A) 10% of the non-voting shares of the same issuer;

(B) 10% of the debt securities of the same issuer;

(C) 10% of the Money Market Instruments of any single issuer; or

(D) 25% of the shares or units of the same UCITS or other UCI.

4.4.3 The limits set out in section 4.4.2, paragraphs (B) to (D) may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

4.4.4 The limits set out in sections 4.4.1 to 4.4.2 do not apply in respect of:

(A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;

(B) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;

(C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;

(D) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a non-Member State, provided that:

(1) such company invests its assets principally in securities issued by issuers having their registered office in that State;

(2) pursuant to the laws of that State, a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and

(3) such company observes in its investments policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.11 to 4.3.13) and sections 4.4.1 to 4.4.2;

(E) shares held by the Fund in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

4.5 Financial derivative instruments

4.5.1 General

Each Sub-Fund may use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Financial derivative instruments used by any Sub-Fund may include, without limitation, the following categories of instruments.

(A) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.

(B) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.

(C) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.

(D) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.

(E) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.

(F) Credit default swaps: a credit default swap or CDS is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.

(G) Total return swaps: a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

(H) Contracts for differences: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

Each Sub-Fund must hold at any time sufficient liquid assets to cover its financial obligations arising under financial derivative instruments used.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund, as further described in section 4.10 (Global exposure limits) below.

The exposure of a Sub-Fund to underlying assets referenced by financial derivative instruments, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in section 4.3 (Risk diversification) above. However, to the extent a Sub-Fund invests in financial derivative instruments referencing financial indices as described in section 4.5.3, the exposure of the Sub-Fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-

Fund in such assets for the purposes of the limits set out in section 4.3 (Risk diversification) above.

Where a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account in complying with the risk diversification rules, global exposure limits and information requirements of this section 4 applicable to financial derivative instruments.

4.5.2 OTC financial derivative instruments

Each Sub-Fund may invest into financial derivative instruments that are traded 'over-the-counter' or OTC including, without limitation, total return swaps or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement.

The counterparties to OTC financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The identity of the counterparties will be disclosed in the Annual Report.

The Management Company uses a process for accurate and independent assessment of the value of OTC derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC derivatives, the Sub-Fund may receive cash or other assets as collateral, as further specified in section 4.8 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement.

4.5.3 Derivatives referencing financial indices

Each Sub-Fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section 4.1 (Authorised investments) above and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

4.6 Efficient portfolio management techniques

Where provided for in its Supplement, a Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending transactions, repurchase agreements and buy-sell back transactions, provided that such techniques and instruments are used for the purposes of efficient portfolio management, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under securities lending transactions, repurchase agreements and buy-sell back transactions, the Sub-Fund will receive cash or other assets as collateral, as further specified in section 4.8 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

As of the date of this Prospectus, none of the Sub-Funds is using efficient portfolio management techniques, including SFTs. Should this evolve in the future, this Prospectus will be updated accordingly before a Sub-Fund actually uses SFTs.

4.6.1 Securities lending

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in its Supplement, a Sub-Fund may enter into securities lending transactions as lender of securities or instruments. Securities lending transactions are, in particular, subject to the following conditions:

(A) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

(B) a Sub-Fund may only lend securities or instruments to a borrower either directly, through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction; and

(C) a Sub-Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities or instruments lent or to terminate the agreement.

4.6.2 Repurchase agreements and buy-sell back transactions

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Where specified in its Supplement, a Sub-Fund may enter into repurchase agreements and/or buy-sell back transactions as buyer or seller of securities or instruments. Such transactions are, in particular, subject to the following conditions:

(A) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law; and

(B) the Sub-Fund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement or buy-sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement or sell-buy back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

4.6.3 Total return swap agreements

Where specified in its Supplement, a Sub-Fund may enter into total return swaps in accordance with the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, as amended.

As previously mentioned, a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

An unfunded swap is a swap where no upfront payment is made by the total return receiver at inception. A funded swap is a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset. Funded swaps tend to be costlier due to the upfront payment requirement. The funded swaps will be limited to 10% of the NAV of the relevant Sub-Fund.

The actual percentage of the assets held by a Sub-Fund that may be subject to total return swap agreements at any time will be set out in the relevant Sub-Fund's supplement, where applicable.

A Sub-Fund may more specifically enter into total return swap agreements provided that the following rules are complied with:

(a) the counterparty in a total return swap agreement must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

(b) the counterparty in a total return swap agreement must be a financial institution specialised in this type of transaction and located in an OECD member state. The counterparty will be approved by the Management Company under the approved list of counterparties and its rating will not be the main selection criteria.

Only the assets used pursuant to the investment policy of a Sub-Fund may be further used for the purpose of total return swaps agreements of this relevant Sub-Fund. Information on the effective use of total return swap agreements and specific details on these transactions will be provided in the Sub-Fund Supplement, if implemented by such Sub-Fund. Total return swaps entered into by a Sub-Fund will be usually in the form of unfunded swaps.

4.7 Currency Hedging

A Sub-Fund may enter into transactions for the purposes of hedging the currency exposure:

(A) Currency Hedging at Portfolio Level: A Sub-Fund may enter into transactions for the purposes of hedging the currency exposure of its underlying exposures into its relevant Base Currency. Financial derivatives instruments such as currency forwards and interest rate futures may be utilised if the Sub-Fund engages in such hedging.

(B) Currency Hedging at Share Class Level: This type of hedging or NAV hedge seeks to minimise the effect of exchange rate fluctuations between the Base Currency and the class currency of the Currency Hedged Share Class. It is typically used when most portfolio holdings are either denominated in, or hedged back to, the Base Currency. Where such hedging is undertaken, the Share Class currency of the Currency Hedged Share Class is systematically hedged to the Base Currency. Where the NAV hedge is applied successfully in respect of a Currency Hedged Share Class, the performance of the Currency Hedged Share Class is likely to move in line with the performance of the Share Classes denominated in the Base Currency. The use of the NAV hedge may substantially limit the holders of the relevant Currency Hedged Share Class from benefiting if the currency of the Currency Hedged Share Class decreases in value relative to the Base Currency

Where a Sub-Fund offers Currency Hedged Share Classes, it will be indicated in the Sub-Fund's Supplement. Where currency hedging transactions are entered into to hedge any relevant currency exposure in respect of a Currency Hedged Share Class, each such transaction will be clearly attributable to the specific Currency Hedged Share Class and any costs shall be for the account of that Currency Hedged Share Class only. Accordingly, all such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share of such Currency Hedged Share Class.

Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Management Company, however, hedged positions will be kept under review to seek that: (i) over-hedged positions do not exceed 105% of the Net Asset Value of the Currency Hedged Share Class and (ii) under-hedged positions do not fall below 95% of the portion of the Net Asset Value of the Currency Hedged Share Class. The hedged positions will be kept under review to ensure that under-hedged positions do not fall below the levels set out above and are not carried forward from month to month and that over-hedged positions materially in excess of 100% and any under-hedged positions falling short of the level above will not be carried forward from month to month. A Sub-Fund that hedges foreign exchange risk for any Currency Hedged Share Class may enter into forward foreign exchange contracts in order to hedge some or all of the foreign exchange risk for the relevant Currency Hedged Share Class.

4.8 Collateral policy

This section sets out the policy adopted by the Management Company for the management of collateral received for the benefit of each Sub-Fund in the context of OTC financial derivatives instruments and efficient portfolio management techniques (securities lending transactions, repurchase agreements, and buy-sell back transactions). All cash or assets received by a Sub-Fund in the context of efficient portfolio management techniques will be considered as collateral for the purposes of this section.

4.8.1 Eligible collateral

Collateral received for the benefit of a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Sub-Fund should comply with the following conditions:

(A) collateral other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

(B) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;

(C) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(D) collateral should be sufficiently diversified in terms of issuers. The maximum exposure of a Sub-Fund to any given issuer included in the basket of collateral received is limited to 20% of the net assets of the Sub-Fund. When the Sub-Fund is exposed to different counterparties, collateral received should be aggregated to calculate the 20% limit of

exposure to a single issuer. By way of derogation, this limit may be exceeded and up to 100% of the collateral received by a Sub-Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that such securities or instruments are part of a basket of collateral comprised of securities or instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the net assets of the Sub-Fund;

(E) where there is a title transfer, collateral received should be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangements (e.g. a pledge), collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral;

(F) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty; and

(G) where applicable, collateral received should also comply with the control limits set out in section 4.4 (Control limits) above.

Subject to the above conditions, permitted forms of collateral include:

(A) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;

(B) bonds issued or guaranteed by a Member State, any other member state of the OECD or their local public authorities, by supranational institutions and undertakings with an EU, regional or worldwide scope;

(C) shares or units issued by money market UCI calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(D) shares or units issued by other UCITS investing mainly in bonds and/or shares identified in items (E) and (F) below;

(E) bonds issued or guaranteed by first class issuers offering adequate liquidity; and

(F) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

4.8.2 Level of collateral

The level of collateral required for OTC financial derivatives transactions and efficient portfolio management techniques will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus.

It is expected that OTC financial derivative instruments will generally be collateralised at a minimum of 5% of their positive mark-to-market value. Repurchase agreements and buys-sell back transactions will generally be collateralised at a minimum of 5% of their notional amount. With respect to securities lending, the borrower will generally be required to post collateral representing, at any time during the lifetime of the agreement, at least 5% of the total value of the securities lent.

4.8.3 Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Management Company. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

In accordance with its haircut policy, the Management Company expects that the maximum valuation percentages specified in the table below will be used in the calculation of the value of collateral received by the Sub-Fund. The value of collateral will correspond to the market value of the securities multiplied by a factor equal to the specified valuation percentage:

Category of collateral	**Valuation percentage maximum figures**
Cash in the Sub-Fund Currency	100%
Negotiable debt instruments issued by the US Treasury Department having a remaining maturity of no more than one year	99%
Negotiable debt instruments issued by the US Treasury Department having a remaining maturity of more than one year but less than ten years	98%
Negotiable debt instruments issued by the US Treasury Department having a remaining maturity of more than ten years	95%

Other permitted forms of collateral may be accepted by the Management Company in accordance with its collateral policy, as described above. In such cases, the collateral will be valued in accordance with the parameters agreed with the counterparty, subject to and in compliance with the requirements of the haircut policy, and the Prospectus will be updated accordingly.

4.8.4 Stress tests

Where a Sub-Fund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

4.8.5 Reinvestment of collateral

Non-cash collateral received for the benefit of a Sub-Fund may not be sold, re-invested or pledged. Cash collateral received for the benefit of a Sub-Fund can only be:

(A) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(B) invested in high-quality government bonds;

(C) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or

(D) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described in section 5 (General risk factors) below.

4.8.6 Centrally cleared OTC derivatives

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Fund and the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Sub-Fund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 5.6.1 (OTC financial derivative instruments) below.

4.9 Revenues arising from efficient portfolio management techniques and total return swap agreements

All revenues arising from efficient portfolio management techniques and total return swap agreements, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund. At least a majority of the gross revenues arising from efficient portfolio management techniques and total return swap agreements will be returned to the relevant Sub-Fund. In particular, fees and costs may be calculated as a percentage of the gross revenues earned by the relevant Sub-Fund and may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques and total return swap agreements as normal compensation of their services (including the Depositary, its related agent as the case may be, and the Management Company).

4.10 Global exposure limits

4.10.1 General

In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-Fund.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund. Global exposure is calculated, at least on a daily basis, using either the commitment approach or the value-at-risk or "VaR" approach, as further explained below. Global exposure is a measure designed to limit either the incremental exposure and leverage generated by a Sub-Fund through the use of financial derivative instruments and efficient portfolio management techniques (where the Sub-Fund uses the commitment approach) or the market risk of the Sub-Fund's portfolio (where the Sub-Fund uses the VaR approach). The method used by each Sub-Fund to calculate global exposure is mentioned in its Supplement.

4.10.2 Commitment approach

Under the commitment approach, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Sub-Fund is limited to 100% of its Net Asset Value.

4.10.3 VaR approach

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Fund is subject to periodic stress tests.

VaR limits are set using an absolute or relative approach. The Management Company and the Board of Directors will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in its Supplement.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the Sub-Fund (for instance, where the Sub-Fund has an absolute return target). Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Sub-Fund. Based on the above calculation parameters, the absolute VaR of each Sub-Fund is limited to 20% of its Net Asset Value. The Management Company may set a lower limit if appropriate.

The relative VaR approach is generally appropriate for Sub-Funds where a leverage-free VaR benchmark or reference portfolio may be defined, reflecting the investment strategy of the Sub-Fund. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of the defined benchmark or reference portfolio and is limited to no more than twice the VaR on that benchmark or reference portfolio. The VaR benchmark or reference portfolio of the Sub-Fund, which may be different from the benchmark used for other purposes, is specified in its Supplement.

4.11 Leverage

Unless otherwise indicated in its Supplement, a Sub-Fund may use leverage to increase its exposure through the use of financial derivative instruments. Leverage may be used at the discretion of the Management Company in accordance with the investment objective and policy of each Sub-Fund and its defined risk profile. Leverage involves certain risks for the Sub-Fund, as further described in section 5 (General risk factors) below. Leverage is monitored on a regular basis by the Management Company.

Under applicable laws and regulations, the level of leverage is defined as the sum of the absolute value of the notional amount of all financial derivative instruments used by the Sub-Fund, as well as any additional exposure generated by the reinvestment of cash collateral in relation to efficient portfolio management techniques. For each Sub-Fund using the VaR approach to calculate and monitor its global exposure, the expected level of leverage, expressed as a percentage of the Net Asset Value of the Sub-Fund, is disclosed in the Supplement.

The above methodology based on the “sum of notionals” is mandatory under applicable laws and regulations. It does not allow for the offset of hedging transactions and other risk mitigation strategies involving financial derivative instruments, such as currency hedging or duration management. Similarly, this methodology does not allow for the netting of derivative positions and does not make any distinction between short term and long-term assets. As a result, strategies that aim to reduce risks may contribute to an increased level of leverage for the Sub-Fund.

In order to take into account the specific use of financial derivative instruments and their contribution to the risks of the Sub-Fund, the expected level of leverage disclosed in the Supplement, based on the “sum of notionals” methodology, may be completed with the expected leverage figures calculated on the basis of the commitment approach, as described above, which takes into account hedging and netting arrangements, or with other additional explanations.

4.12 Breach of investment limits

The Sub-Funds need not comply with the limits set out above in this section 4 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits set out above in this section 4 are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of investors.

5. GENERAL RISK FACTORS

The performance of the Shares depends on the performance of the investments of the Sub-Fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in a Supplement, the Shares do not include any element of capital protection and the Fund gives no assurance or guarantee to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, investment objectives may become more difficult or even impossible to achieve. The Fund gives no assurance or guarantee to any investors as to as to the likelihood of achieving the investment objective of a Sub-Fund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Prospectus and the Supplement of the Sub-Fund before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

5.1 Market risk

Market risk is understood as the risk of loss for a Sub-Fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-Fund will be diversified with a view to reducing market risk, the investments of a Sub-Fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

5.1.1 Economic risk

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to

factors affecting a particular, industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

5.1.2 Interest rate risk

The performance of a Sub-Fund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instruments will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments generally can be expected to fall and vice versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce interest rate risk, generally through the use of interest rate futures or other derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

5.1.3 Foreign exchange risk

Each Sub-Fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-Fund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency Hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

5.1.4 Credit risk

Sub-Funds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

5.1.5 Commodities risk

Where specified in the Supplements, certain Sub-Funds may invest in instruments providing exposure to the commodities market, including financial derivative instruments referencing commodities indices and financial instruments or funds linked to, or backed by the performance of, commodities. Investments in derivatives related to commodities can be highly volatile: market prices of commodities derivatives may fluctuate rapidly. The price of commodities derivatives may fluctuate based on numerous factors, including changes in supply and demand (whether actual or perceived, anticipated or unanticipated) and other trading considerations generally or in the relevant commodity, domestic and international political, monetary and economic events and policies, and other public or private policies, actions or inactions, natural events such as weather conditions, agricultural factors, diseases, or technological developments. The current or "spot" prices of commodities may also affect the prices of futures contracts in respect of the relevant commodity.

5.1.6 Volatility risk

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-Fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

5.1.7 Leverage risk

Leverage refers to the use of borrowed funds or financial derivative instruments to increase exposure to an asset in excess of the capital amount invested in that asset. Each Sub-Fund is subject to strict restrictions on borrowings which are generally not permitted for investment purposes. However, in accordance with its investment objective and policy, a Sub-Fund may use financial derivative instruments to gain additional market exposure to underlying assets in excess of its Net Asset Value, thereby creating a leverage effect. While leverage presents opportunities for increasing gains of a Sub-Fund, it also has the effect of potentially increasing losses incurred by the Sub-Fund. The maximum expected level of leverage of each Sub-Fund calculating its global exposure under the VaR approach is disclosed in the Supplement. For regulatory purposes, leverage must be calculated by reference to the gross notional amounts of the derivatives used. This calculation method does not take into account the market risk and volatility of the underlying assets. A relatively high notional amount may be required in order to achieve the desired level of exposure to the underlying assets. This may be the case in particular for short-term interest rate derivatives to the extent their sensitivity to interest rate changes is low relative to other assets.

5.1.8 Short positions risk

Certain Sub-Funds may use financial derivative instruments such as swaps, futures and forwards in order to obtain a short exposure to certain securities or other assets. A synthetic short position replicates the economic effect of a transaction in which a fund sells a security or asset it does not own but has borrowed, in anticipation that the market price of that security or asset will decline. When a Sub-Fund initiates such a synthetic short position in a security or asset that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. If the price of the security or

asset on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-Fund will realise a gain. Any gain will be decreased and any loss increased by transactional costs and fees. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss may be substantially higher. Stop loss policies are typically employed to limit losses. Each Sub-Fund is required to maintain sufficiently liquid assets to cover any obligations arising from its short positions at any time.

5.1.9 Equity risk

The value of a Sub-Fund that invests in equity securities will be affected by changes in the stock markets and changes in the value of individual portfolio securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Sub-Funds, which will fluctuate as the value of the underlying equity securities fluctuates.

5.1.10 Emerging Markets risk

A Sub-Fund may invest in less developed or emerging markets. These markets may be volatile and less liquid and the investments of the Sub-Fund in such markets may be considered speculative and subject to significant delays in settlement. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Sub-Fund will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in emerging markets and assets could be compulsorily acquired without adequate compensation. The assets of a Sub-Fund investing in such markets, as well as the income derived from the Sub-Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares of that Sub-Fund may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such countries may be subject to unexpected closure. There may be less government supervision and legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets. Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems.

5.1.11 Investment in smaller companies risk

Investment in smaller companies may involve greater risks and thus may be considered speculative. Investment in a Sub-Fund investing in smaller companies should be considered long-term and not as a vehicle for seeking short term profits. Many small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies.

5.1.12 Investment in UCITS and/or other UCIS risk

The value of an investment represented by a UCITS and/or other UCI in which a Sub-Fund may invest, may be affected by fluctuations in the currency of the country where such UCITS and/or other UCI invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, it is to be noted that the Net Asset Value will fluctuate mainly in light of the net asset value of the targeted UCITS and/or other UCIs.

5.1.13 Portfolio concentration risk

Although the strategy of a Sub-Fund which consists of investing in a limited number of assets has the potential to generate attractive returns over time, it may increase the volatility of such Sub-Fund's investment performance as compared to funds that invest in a larger number of assets.

Focusing on any company, industry, sector, country, region, type of stock, type of economy, etc. makes a fund more sensitive to the factors that determine market value for the area of focus. These factors may include economic, financial or market conditions as well as social, political, economic, environmental, or other conditions.

If the assets in which a Sub-Fund invests perform poorly, the Sub-Fund could incur greater losses than if it had invested in a larger number of assets.

5.1.14 Sustainable Finance and ESG Data risk

Sustainable finance is a relatively new field of finance. Currently, there is no universally accepted framework or list of factors to consider in order to ensure that investments are sustainable. Also, the legal and regulatory framework governing sustainable finance is still under development.

The lack of common standards may result in different approaches to setting and achieving ESG objectives. ESG factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgemental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG

criteria. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from that of a Sub-fund.

The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision-making processes to address ESG factors and risks, and because of legal and regulatory developments.

When provided for in their Supplement, certain Sub-Funds may seek to implement an investment policy applying a (full or partial) screening based on ESG criteria defined by the Management Company.

The Management Company may also take into consideration case studies, environmental impacts associated with the issuers and company visits. Shareholders should note that assessment criteria may change over time or vary depending on the sector or industry in which the relevant issuer operates. Applying ESG criteria to the investment process may lead the Management Company to invest in or exclude securities for non-financial reasons, irrespective of market opportunities available if assessed while disregarding ESG criteria.

In evaluating a security or issuer based on ESG criteria, the Management Company may be dependent upon information and data from third parties, which may be incomplete, inaccurate or unavailable. As a result, the possibility exists that the Management Company may face challenges in precisely evaluating a security or issuer. There is also a risk that the Management Company may not apply the relevant ESG criteria correctly or that an ESG Sub-Fund could have indirect exposure to issuers who do not meet the relevant ESG criteria used by such ESG Sub-Fund. Neither the ESG Sub-Funds nor the Management Company make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG assessment.

5.2 Liquidity risk

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

5.3 Counterparty risk

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution, or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Sub-Fund enters into OTC financial derivative instruments, or enters into securities lending transactions, repurchase agreements and buy-sell back transactions, as further described below.

5.4 Operational risk

Operational risk means the risk of loss for the Fund resulting from inadequate internal processes and failures in relation to people and systems of the Fund, the Management Company and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

5.4.1 Valuation risk

Certain Sub-Funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

5.4.2 Laws and regulations risk

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations.

5.4.3 FATCA

The Fund may be subject to regulations imposed by foreign regulators, in particular, the United States laws and regulations known as FATCA. FATCA provisions generally impose a reporting obligation to the US Internal Revenue Services of non-US financial institutions that do not comply with FATCA and US persons' (within the meaning of FATCA) direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information will result in a 30% withholding tax applying to certain US source income (including

dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends. The Fund will be treated as a Foreign Financial Institution within the meaning of FATCA. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Notwithstanding any other provision of this Prospectus, to the extent permitted by Luxembourg law, the Fund shall have the right to: (i) withhold on any payment to investors an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Fund, (ii) require any investor or beneficial owner of Shares to promptly provide such personal data as may be required by the Fund in its discretion in order to comply with applicable laws and regulations and/or determine the amount to be withheld; (iii) divulge any such personal data to any tax authority, as may be required by applicable laws and regulations or requested by such authority; (iv) delay payments to any investor, including any dividend or redemption proceeds, until the Fund holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

5.4.4 Common Reporting Standard risk

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard ("CRS") as set out in the Luxembourg law on the Common Reporting Standard (the "CRS Law").

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the "CRS Information").

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Fund will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Fund.

For the purposes of this section, "Controlling Person" means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the CRS Information by the Fund to the Luxembourg tax authorities.

5.4.5 Terrorist Attack, War, Natural Disaster or Pandemic risk

The operations of some Sub-Funds and counterparties with which the Fund on behalf of some Sub-Funds may do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities. Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, could severely disrupt the global economy and the operation of the Sub-Funds. In particular, the recent "novel coronavirus" (COVID-19) outbreak which has affected the world, could have a material and adverse effect on the ability to accurately determine the prices of assets held by the Sub-Funds, which might further result in an inaccurate valuation of the Sub-Funds' assets. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, relevant persons and entities involved in the operations of the Fund such as including, but not limited to, the Management Company, the UCI Administrator and the Depositary or their agents) may to the extent that they are affected by such pandemic or natural disaster, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Fund and materially and adversely affect the Sub-Funds' operations.

5.4.6 Cyber Security risk

As the use of technology has become more prevalent in the doing of business, the Fund has become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorised access to, confidential or highly restricted data relating to the Fund and the Shareholders; and compromises or failures to systems, networks, devices and applications relating to the operations of the Fund and its service providers. Cyber security risks may result in financial losses to the Fund and the Shareholders; the inability of the Fund to transact business with the Shareholders; delays or mistakes in the calculation of the Net Asset Value or other materials/information provided to Shareholders; the inability to process transactions with Shareholders or other parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. The Fund's service providers (including, but not limited to, the Management Company, the UCI Administrator and the Depositary or their agents), financial intermediaries, companies in which a Sub-Fund invests and parties with which the Fund engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own businesses, which could result in losses to a Sub-Fund or the Shareholders. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Fund does

not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which the Sub-Fund invests or with which it does business.

5.4.7 Segregation of Sub-Funds

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

5.5 Depositary Risk

The assets owned by the Fund are held in custody for the account of the Fund by a depositary that is also regulated by the CSSF. The Depositary may entrust the safekeeping of the Fund's assets to sub-custodians in the markets where the Fund invests. Luxembourg law provides that the Depositary's liability shall not be affected by the fact that it has entrusted the safekeeping of assets of the Fund to third parties. The CSSF requires that the Depositary ensures that there is a legal separation of non-cash assets held under custody with the assets of the Depositary and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. Where the Depositary engages a sub-custodian, the CSSF requires that the Depositary ensures that the sub-custodian maintains these standards and the liability of the Depositary will not be affected by the fact that it has entrusted to a sub-custodian some or all of the assets of the Fund.
However, certain jurisdictions have different rules regarding the ownership and custody of assets generally and the recognition of the interests of a beneficial owner such as a Sub-Fund. There is a risk that in the event the Depositary or sub-custodian becomes insolvent, the relevant Sub-Fund's beneficial ownership of assets may not be recognised in foreign jurisdictions and creditors of the Depositary or sub-custodian may seek to have recourse to the Sub-Fund's assets. In jurisdictions where the relevant Sub-Fund's beneficial ownership is ultimately recognised, the Sub-Fund may suffer a delay in recovering its assets, pending the resolution of the relevant insolvency or bankruptcy proceedings.
In respect of cash assets, the general position is that any cash accounts will be designated to the order of the Depositary for the benefit of the relevant Sub-Fund. However, due to the fungible nature of cash, it will be held on the balance sheet of the bank with whom such cash accounts are held (whether a sub-custodian or a third party bank), and will not be protected from the bankruptcy of such bank. A Sub-Fund will therefore have counterparty exposure risk to such bank. Subject to any applicable government guarantee or insurance arrangements in respect of bank deposits or cash deposits, where a sub-custodian or third party bank holds cash assets and subsequently becomes insolvent, the Sub-Fund would be required to prove the debt along with other unsecured creditors. The Sub-Fund will monitor its exposure in respect of such cash assets on an ongoing basis.

5.6 Certain financial instruments and investment techniques risk

5.6.1 OTC financial derivative instruments risk

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.
Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

5.6.2 Securities lending, repurchase agreements and buy-sell back transactions risk

Securities lending transactions, repurchase agreements and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending transactions, repurchase agreements and buy-sell back transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

5.6.3 Collateral management risk

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

5.6.4 Risk relating to the use of total return swaps

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-Fund engages in total return swaps, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Sub-Fund enters into total return swaps on a net basis, the two payment streams are netted out, with Fund or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to total return swaps is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a total return swap defaults, in normal circumstances the Fund or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.

5.7 Duplication of fees risk

Except for the UCITS and/or other UCIs managed by the same Management Company, there could be duplication of management fees and other operating fund related expenses, each time a Sub-Fund invests in UCITS and/or other UCIs. Where a Sub-Fund invests a substantial proportion of its assets in UCITS and/or other UCIs, the maximum proportion of management fees charged both to that Sub-Fund itself and to the UCITS and/or other UCIs in which it invests will be disclosed in the Annual Report.

6. SUSTAINABILITY RELATED DISCLOSURES

Pursuant to the SFDR, the Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decision process implemented with respect to the Sub-Funds as well as the results of the assessment of the likely impacts of Sustainability Risks on the returns of each Sub-Fund.

Sustainability Risks are integrated into the investment decision making and risk monitoring for all the Sub-Funds to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and will vary depending on the specific risk, region and asset class linked to a Sub-Fund's strategy. Generally, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

This section describes how Sustainability risks are integrated in the investment decision process while the specific assessment of the likely impact of Sustainability Risks must be conducted at Sub-Fund level. Further details and specific information are provided in the relevant Sub-Fund's Supplement.

More information on the incorporation of Sustainability Risks and opportunities into day-to-day business operations, are to be found on www.varennecapital.com.

Principal adverse impacts of investment decisions on Sustainability Factors (the "**PAI**") are considered by the Management Company. Information on PAI is available on the Annual Report.

Integration of Sustainability Risks

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under the relevant Supplement, the investment policy of all Sub-Funds shall comply with the rules laid down hereafter in relation to the integration of Sustainability Risks:

Evaluating Sustainability Risks is an integral part of each Sub-Fund's investment process as, in the Management Company's view; Sustainability Risks can materially affect a company's financial performance, competitiveness and overall risk profile.

The Management Company considers Sustainability Risks as part of its broader analysis of individual issuers, using inputs from the Management Company's team of ESG analysts to help identify exposure to Sustainability Risks, prepare for company engagement and collaborate on new research inputs. The factors which will be considered by the Management Company will vary depending on the security in question, but typically include ownership structure, board structure and membership, capital allocation track record, management incentives, labour relations history, and climate risks.

In assessing these risks, the Management Company draws upon a wide variety of internal and external research to assess any potential impact on the value of the assets over the time horizon of the Fund.

The Management Company will also explicitly manage each Sub-Fund's potential exposure to climate-type risks and other Sustainability risks as defined under section 5 "*General risk factors*" of the Prospectus.

7. MANAGEMENT AND ADMINISTRATION

7.1 The Board of Directors

The members of the Board of Directors will be elected by the general meeting of shareholders subject to the approval of the CSSF. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the Management Company and the general monitoring of the performance and operations of the Fund.

The Board of Directors has adopted and implemented a Code of Conduct which sets out the general governance principles and rules of conduct which the directors seek to apply in carrying out their duties.

For the current composition of the Board of Directors, please refer to the Directory.

7.2 The Management Company

The Fund has appointed the Management Company as its management company and as its global distributor in accordance with the provisions of the 2010 Law pursuant to the Management Company Services Agreement.

The Management Company is a *société par actions simplifiées* incorporated under the laws of France on 7 February 2003. The Management Company is authorised and regulated by the *Autorité des Marchés Financiers* in France under French law. Its main business activity is to provide collective portfolio management services to the Fund and perform the functions of a UCITS management company in accordance with French laws.

The Management Company acts as the management company of the Fund under the principle of freedom to provide services established by the UCITS Directive and the 2010 Law. Consequently, the Management Company will comply with the applicable laws and regulations of France, being the 'home Member State' of the Management Company, with respect to its organisation, including delegation arrangements, risk management procedures, prudential rules and supervision, administrative procedures and control mechanisms, the management of conflicts of interest and reporting requirements. The Management Company will comply with Luxembourg laws and regulations with respect to the constitution and functioning of the Fund.

The relationship between the Fund and the Management Company is subject to the terms of the Management Company Services Agreement. Under the terms of the Management Company Services Agreement, the Management Company is responsible for the investment management and administration of the Fund as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Fund. The Management Company has authority to act on behalf of the Fund within its function.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf in accordance with applicable laws and regulations. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior approval of the CSSF.

The Management Company Services Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Management Company Services Agreement may also be terminated immediately in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Company Services Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

The Management Company also manages other Luxembourg or foreign UCITS a list of which is made available on www.varennecapital.com.

7.3 The Depositary and Paying Agent

CACEIS Bank, Luxembourg Branch has been appointed Depositary of the Fund (the "Depositary") under the terms of a written agreement dated 3 August 2021 between Caceis Bank, Luxembourg Branch and the Fund (the "Depositary Agreement").

CACEIS Bank, acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch), is a public limited liability company (*société anonyme*) incorporated under the laws of France with a share capital of 440,000,000 euros having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank and the *Autorité de contrôle prudentiel et de résolution*. It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Fund's assets and it shall fulfil the obligations and duties provided for by the 2010 Law. In particular, the Depositary shall ensure an effective and proper monitoring of the Fund's cash flows.

Under its oversight duties, the Depositary is required to:

(1) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with the 2010 Law or with the Articles of Association,
(2) ensure that the value of Shares is calculated in accordance with the 2010 Law and the Articles of Association,
(3) carry out the instructions of the Fund or the Management Company, unless they conflict with the 2010 Law or the Articles of Association,
(4) ensure that in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits,

(5) ensure that the Fund's revenues are allocated in accordance with the 201 Law and its Articles of Association.

The Depositary may not delegate any of the obligations and duties set out in (1) to (5) of this clause.

In compliance with the provisions of the UCITS Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondents or third party custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law.

A list of these correspondents/third party custodians is available on the website of the Depositary (www.caceis.com, section "veille règlementaire"). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Fund, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Fund's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

a. identifying and analysing potential situations of conflicts of interest;
b. recording, managing and monitoring the conflict of interest situations either in:
    - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
    - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Fund, notably, administrative agency and registrar agency services.

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice in writing. The Fund may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the Fund's investments. The Depositary is a service provider to the Fund and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Fund.

The Fund has also appointed the Depositary as Paying Agent.

In accordance with the provisions of the UCITS Directive and the 2010 Law governing the management of UCITS on a cross-border basis, the Management Company and the Depositary have entered into an agreement in order to regulate the flow of information deemed necessary to allow the Depositary to perform its functions as depositary of the Fund.

7.4 The UCI Administrator

The Management Company has appointed CACEIS Bank, Luxembourg Branch as administrative, registrar and transfer agent of the Fund (the "UCI **Administrato**r") respectively pursuant to the UCI Administration Agreement in order to cover the following main functions: registrar function, Net Asset Value calculation and accounting function, and client communication function.

The relationship between the Fund**,** the Management Company and the Administrator is subject to the terms of the UCI Administration Agreement. Under the terms of the UCI Administration Agreement, the UCI Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, namely, (i) calculate the Net Asset Value per Share, maintain the accounting records of the Fund; (ii), perform the registrar services such as the maintenance of books and records of the Fund as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of shareholders and (iii) perform the client communication services such as disseminating distribution notices and distributing audited financial statements to shareholders. In addition, as registrar and transfer agent of the Fund, the UCI Administrator is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

The UCI Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund.

The UCI Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The UCI Administration Agreement may also be terminated on shorter notice and with immediate effect in certain circumstances, for instance where one party commits a material breach of its obligations. The UCI Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The UCI Administration Agreement contains provisions exempting the UCI Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the UCI Administrator towards the Management Company will not be affected by any delegation of functions by the UCI Administrator.

CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI administrator, in particular as registrar and transfer agent activities including shareholders and investor services, with other entities of the

group CACEIS or of the Credit Agricole group, located in Europe or in third countries, and notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc.. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the Board, which will communicate these information to the investors. The Board will communicate to the investors any material changes to the information disclosed in this paragraph prior to their implementation. The list of countries where the group CACEIS is located is available on the Internet site www.caceis.com. We draw your attention to the fact that this list could change over time.

7.5 The Domiciliary Agent

The Fund has appointed CACEIS Bank, Luxembourg Branch as domiciliary agent (the "**Domiciliary Agent**") of the Fund pursuant to the Domiciliation Services Agreement.

The relationship between the Fund and the Domiciliary Agent is subject to the terms of the Domiciliation Services Agreement.

The Domiciliation Services Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Domiciliation Services Agreement may also be terminated on shorter notice and with immediate effect in certain circumstances, for instance where one party commits a material breach of its obligations. The Domiciliation Services Agreement contains provisions exempting the Domiciliary Agent from liability and indemnifying the Domiciliary Agent in certain circumstances. However, the liability of the Domiciliary Agent towards the Fund will not be affected by any delegation of functions by the Domiciliary Agent.

The Fund reserves the right to change the domiciliary arrangements described above by agreement with the Domiciliary Agent and/or to appoint another service provider in Luxembourg to carry out the functions of domiciliary agent. Investors will be notified in due course.

7.6 The Auditor

The Fund has appointed PricewaterhouseCoopers Assurance, Société coopérative as its independent auditor (*réviseur d'entreprises agréé*) within the meaning of the 2010 Law. The Auditor is elected by the general meeting of shareholders. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the 2010 Law.

7.7 Conflicts of interest

The Board of Directors, the Management Company, the Depositary, the UCI Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders. The Board of Directors has also adopted and implemented a conflicts of interest policy in accordance with its Code of Conduct.

The Management Company has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

7.8 Execution of transactions

The Management Company has adopted a "best execution" policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the Management Company upon request.

8. SHARES

8.1 Shares, Sub-Funds and Share Classes

8.1.1 Shares

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2010 Law, which is currently 1,250,000 EUR.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Fund evidences the shareholder's ownership right towards the Fund.

Shares may also be eligible for clearing and settlement by Euroclear and/or other recognised securities clearing and settlement systems. In such case, Shares may be held and transferred through securities accounts maintained within such system in accordance with applicable laws and regulations, and the operating rules of the system.

The Fund will recognise only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights: the Fund is authorised without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing investors a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund and at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be issued up to three (3) decimal places rounded down, except for the IT Share Classes which do not have fractional Shares. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund or Share Class to which they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Sub-Fund or Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class as of that point, as described in more detail in section 8.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class until and including that point, as described in more detail in section 8.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Fund decides otherwise.

8.1.2 Sub-Funds

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Each Share issued by the Fund is a share in a specific Sub-Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 9.2 (Valuation procedure) below.

Each Sub-Fund may be established for an unlimited or limited duration as specified in its Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Sub-Fund once or several times. Investors will be notified at each extension. At the expiry of the duration of a Sub-Fund, the Fund will redeem all the Shares in that Sub-Fund. The Supplement will indicate the duration of each Sub-Fund and its extension, where applicable.

Additional Sub-Funds may be established by the Board of Directors from time to time without the consent of investors in other Sub-Funds. A new Supplement will be added to this Prospectus for each new Sub-Fund established.

8.1.3 Share Classes

The Sub-Funds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of investors. Investors will be able to choose the Share Class with the features most suitable to their individual circumstances.

In particular, the Sub-Funds may offer Currency Hedged Share Classes. The Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Currency Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions will be allocated solely to the Currency Hedged Share Class to which the hedging relates.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Investors will be notified at each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements. For each Sub-Fund launched, the list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company and on www.varennecapital.com.

8.1.4 Changes to Sub-Funds and Share Classes

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will require a resolution of the general meeting of shareholders, as further described in section 11.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Sub-Fund, including its objective and policy, or any existing Share Class, without the consent of investors. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Prospectus will be updated as appropriate.

8.2 Dividend distribution policy

Each Sub-Fund may offer distributing Shares and non-distributing Shares. The Supplement shall indicate whether Shares confer the right to dividend distributions (Distribution Shares) or do not confer this right (Capitalisation Shares). Distribution Shares and Capitalisation Shares issued within the same Sub-Fund will be represented by different Share Classes.

Capitalisation Shares capitalise their entire earnings whereas Distribution Shares pay dividends. Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Capitalisation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

For tax and accounting purpose, and to avoid any dilution in respect of Distribution Shares, the Fund may use an accounting practice known as equalisation, by which a portion of the Subscription Price or Redemption Price, equivalent on a per Share basis to the amount of undistributed earnings of the Share Class on the Subscription Day or Redemption Day, is credited or charged to undistributed earnings of such Share Class. As a result, undistributed earnings per Share are unaffected by subscriptions or redemptions of Shares on any Subscription Day or Redemption Day.

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares as described in the Supplement**.** The dividend distribution policy may vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2010 Law which is currently EUR 1,250,000.

No interest shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

8.3 Eligible Investors

Shares may only be acquired or held by investors who satisfy all eligibility requirements for a specific Sub-Fund or Share Class, if any, as specified for the Sub-Fund or Share Class in the Supplement (an Eligible Investor). Certain Sub-Funds or Shares Classes may indeed be reserved to specified categories of investors such as Institutional Investors, investors investing through a specified distribution channel or investors who are residents of or domiciled in specific jurisdictions.

The Board of Directors has decided that any investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those persons described in section 8.10 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 8.10 (Prohibited Persons) below).

8.4 Subscription for Shares

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

8.4.1 Subscription application

Shares in any new Sub-Fund or Share Class may be available for subscription during an Initial Offer and will be issued on the first Subscription Day following the Initial Offer at the Initial Offer Price. Information on the Initial Offer and the Initial Offer Price of any new Sub-Fund or Share Class will be set out in the Supplement and available from the Management Company upon request and on www.varennecapital.com. The Fund may reschedule the Initial Offer and/or amend the Initial Offer Price.

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day. The Net Asset Value per Share for the Subscription Day at which an application will be processed is unknown to the investors when they place their subscription applications.

The Fund may charge a Subscription Fee on subscriptions for Shares, as set out in section 10.1 (Subscription Fee and Redemption Fee) below, which will be added to the Subscription Price. The Subscription Fee is equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to subscribe for Shares of a Sub-Fund or Share Class will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee). The Subscription Form must be submitted to the UCI Administrator following the instructions on such form. The Subscription Form is available from the UCI Administrator.

The Fund will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Applications must be submitted to the UCI Administrator by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 8.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Fund may refuse an application for subscription where the Fund determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Fund will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 9.4 (Temporary suspension of the Net Asset Value calculation) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Fund, notably under other exceptional circumstances.

8.4.2 Settlement of subscription

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class.

Cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) must be received by the Fund by the end of the Subscription Settlement Period specified in the Supplement. Settlement details are available in the Subscription Form.

If the payment of the Subscription Price (plus any Subscription Fee) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Fund, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee). The UCI Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The Fund reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus any Subscription Fee) by the end of the Subscription Settlement Period. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

8.4.3 Subscription in kind

The Fund may agree to issue Shares as consideration for a "contribution in kind" of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee), provided that such assets comply with the investment objective and policy of the Sub-Fund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Any contribution in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the contributing investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

8.5 Redemption of Shares

Applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

8.5.1 Redemption application

Investors may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 10.1 (Subscription Fee and Redemption Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the UCI Administrator following the instructions on such form. The Redemption Form is available from the UCI Administrator.

The Fund will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the UCI Administrator by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.8 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 9.4 (Temporary suspension of the Net Asset Value calculation) below. The redemption of Shares of a Sub-Fund or Share Class may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

8.5.2 Settlement of redemption

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should refer to the local sales documents for their jurisdiction or contact their local paying agent for further

information. The Fund will not accept responsibility for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Sub-Fund or the Share Class.

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

8.5.3 Redemption in kind

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an investor a “redemption in kind” whereby the investor receives a portfolio of assets of the Sub-Fund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the investor must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d’entreprises agréé*) agreed by the Fund. The Fund and the redeeming investor will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

8.6 Conversion of Shares

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

8.6.1 Conversion application

Unless set out otherwise in the Supplement, investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the investors when they place their conversion application.

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 10.1 (Subscription Fee and Redemption Fee) below and specified in the Supplement. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the UCI Administrator following the instructions on such form. The Conversion Form is available from the UCI Administrator**.**

The Fund will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the UCI Administrator by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversation rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 8.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Fund decides to close the Sub-Fund or Share Class to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the Fund.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in

accordance with section 9.4 (Temporary suspension of the Net Asset Value calculation) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Prospectus.

8.6.2 Conversion rate

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

A = (B x C x D) / E

where:

A is the number of New Shares to be allocated;

B is the number of Original Shares to be converted into New Shares;

C is the Net Asset Value per Share of the Original Shares for the Conversion Day;

D is the exchange rate, as determined by the Fund, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and

E is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee may be applied, if and to the extent set out in the Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.

8.7 Transfer of Shares

8.7.1 Conditions and limitations on transfer of Shares

Shares are freely transferable subject to the restrictions set out in the Articles of Association and this Prospectus. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer entered in the register of shareholders of the Fund following the delivery to the UCI Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund.

The Fund will only give effect to Share transfers that it considers clear and complete. The UCI Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the UCI Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer

orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

Shares which are eligible for clearing and settlement by Euroclear and/or other recognised securities clearing and settlement systems may also be transferred through securities accounts maintained within such system[s] in accordance with applicable laws and regulations, and the operating rules of the systems.

8.7.2 Trading of Shares on a stock exchange

Shares of certain Share Classes may be listed and admitted to trading on the Italian Stock Exchange (Borsa Italiana ATF Fund Market) or other market segments or stock exchanges as the Fund may determine from time to time. The Supplement will specify if Shares are or are intended to be listed. Although the Shares must be freely negotiable and transferable upon their listing and admission to trading on such stock exchanges (and trades carried out on such stock exchanges cannot be cancelled by the Fund) the restrictions of ownership and conditions on holding Shares (as set out in this Prospectus and the Articles of Association) will nevertheless apply to any person to which Shares are transferred on such stock exchanges. The holding at any time of any Shares by, on behalf of or for the account or benefit of, a Prohibited Person may result in the compulsory redemption of such Shares in accordance with the provisions of this Prospectus and the Articles of Association.

Listed Shares will be eligible for clearing and settlement by Euroclear.

The listing and admission to trading on such stock exchanges does not constitute a warranty or representation by the stock exchange as to the competence of the service providers to or any other party connected with the Fund or the suitability of the Fund for investment or for any other purpose.

8.8 Special considerations

8.8.1 Minimum subscription and holding amounts

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified for each Share Class in the Supplement. The Fund may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Fund may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming investor in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the investor in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Fund may grant a grace period to the investor so as to allow him to increase his holding to at least the minimum holding amount.

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Fund has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the Fund may waive all or part of such requirements for investments made by certain nominees and other professional intermediaries.

8.8.2 Minimum or maximum level of assets under management

The Fund may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be operated in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 11.10 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

The Fund may also decide to close a Sub-Fund or Share Class to new subscriptions or new investors where that Sub-Fund or Share Class has reached or is about to reach its maximum or expected level of assets under management, where accepting new subscriptions or investors would be detrimental to the performance of the Sub-Fund or Share Class, or in other circumstances determined by the Board of Directors. In such events, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Fund will be returned to the applicant.

8.8.3 Suspension of issue, redemption or conversion of Shares

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Fund in accordance with section 9.4 (Temporary suspension of the Net Asset Value calculation) below and in other circumstances specified in the Articles of Association and this Prospectus.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund before the end of the suspension period.

8.8.4 Redemption gates

If on any given Redemption Day or Conversion Day, applications for redemption or conversion of Shares out of a Sub-Fund represent in aggregate more than ten percent (10%) of the Net Asset Value of the Sub-Fund, the Fund may decide that part (on a *pro rata* basis) or all of such requests for redemption or conversion will be deferred to the next or subsequent Redemption Days or Conversion Days until the application is processed in full. On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day.

Shareholders whose orders are carried forward retain the right to cancel the non-executed portion of their request prior to the applicable cut-off time on the following Redemption Day or Conversion Day.

The Fund also reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period in accordance with the provisions set out in section 8.5 (Redemption of Shares) above.

As an alternative to deferring applications for redemptions, the Fund may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Sub-Fund in lieu of cash, subject to the conditions set out in section 8.5 (Redemption of Shares) above.

8.9 Late trading, market timing and other prohibited practices

The Fund does not permit late trading practices as such practices may adversely affect the interests of investors. In general, late trading is to be understood as the acceptance of a subscription, redemption or conversion order for Shares after the Cut-Off Time for a Subscription Day, Redemption Day or Conversion Day and the execution of such order at a price based on the Net Asset Value applicable to such same day. However, as mentioned above, the Fund may accept subscription, conversion or redemption applications received after the Cut-Off Time, in circumstances where the subscription, redemption or conversion applications are dealt with on an unknown Net Asset Value basis, provided that it is in the interest of the Sub-Fund and that investors are fairly treated. In particular, the Fund may waive the Cut-Off Time where a Distributor and/or another intermediary submits the application to the UCI Administrator after the Cut-Off Time provided that such application has been received by the Distributor or the intermediary from the investor in advance of the Cut-Off Time.

Subscriptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market timing or other excessive trading practices. Market timing is to be understood as an arbitrage method by which an investor systematically subscribes and redeems or converts Shares of the same Sub-Fund or Share Class within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Fund and other investors, the Fund has the right to reject any subscription or conversion order, from any investor who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an investor's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Fund. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control.

The Fund also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an investor who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Prospectus. The Board of Directors considers such persons as Prohibited Persons.

The Fund will not be held liable for any loss resulting from rejected orders or compulsory redemptions.

8.10 Prohibited Persons

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares or prohibit certain practices such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of the Articles of Association, the Prospectus or the laws or regulations of any jurisdiction, or (ii) require the Fund or the Management Company to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or in any other jurisdiction, or (iii) may cause the Fund, the Management Company or the investors any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (a Prohibited Person).

The Board of Directors has decided that US Persons will be considered as Prohibited Persons. By signing a Subscription Form, an applicant will certify, represent, warrant and agree that he is not a US Person or that the Shares applied for are not being acquired directly or indirectly by, on behalf or for the account or benefit of, a US Person. An applicant will further certify, represent, warrant and agree that the applicant will notify the Fund in the event that either the applicant becomes a US Person or holds the Shares on behalf of, or for the account or benefit of, a US Person. If an applicant's status changes and it becomes a US Person, it must notify the relevant party as mentioned above within thirty (30) days.

The Board of Directors has also decided that any person not qualifying as an Eligible Investor will be considered as a Prohibited Person.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 8.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any investor or prospective investor to provide the Fund with any representations, warranties, or information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. In such

cases, the Fund will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 8.5 (Redemption of Shares) above.

The Fund may also grant a grace period to the investor for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more investors who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any investor who fails to satisfy the investor eligibility requirements for a Shares Class into Shares of another Share Class available for such investor.

The Fund reserves the right to require the investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

8.11 Prevention of money laundering

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the 2004 Law, and implementing regulations and CSSF circulars adopted from time to time. In particular, anti-money laundering measures in force in Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

Subscribers for Shares will be required to provide to the Fund the information set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber).

The Fund is required to establish anti-money laundering controls and may require from subscribers for Shares all documentation deemed necessary to establish and verify this information. The Fund has the right to request additional information until the it is reasonably satisfied that it understands the identity and economic purpose of the subscriber. Furthermore, any investor is required to notify the Fund prior to the occurrence of any change in the identity of any beneficial owner of Shares. The Fund may require from existing investor, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in Luxembourg.

Depending on the circumstances of each application, a simplified customer due diligence might be applicable, where a subscriber is a credit institution or financial institution governed by the 2004 Law or a credit or financial institution, within the meaning of Directive 2005/60/EC, of another Member State or situated in a third country which imposes requirements equivalent to those laid down in the 2004 Law or in Directive 2005/60/EC and is supervised for compliance with those requirements. These procedures may only apply if the credit or financial institution referred to above is located within a country recognised by the Fund as having equivalent anti-money laundering regulations to the 2004 Law.

Failure to provide information or documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

9. VALUATION AND NET ASSET VALUE CALCULATION

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the Articles of Association and is also described in this section of the Prospectus.

9.1 Calculation of the Net Asset Value

The Net Asset Value per Share shall be determined by the UCI Administrator as of each Valuation Day (as specified for each Sub-Fund in the Supplement) and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded down to two (2) decimal places.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each Valuation Day in the Reference Currency of the Sub-Fund according to the valuation procedure described below.

The Net Asset Value of the Fund will at all times be equal to the sum of the Net Asset Values of all Sub-Funds expressed in the Reference Currency of the Fund. The Net Asset Value of the Fund must at all times be at least equal to the minimum share capital required by the 2010 Law which is currently EUR 1,250,000, except during the first six (6) months after the approval of the Fund by the CSSF.

9.2 Valuation procedure

9.2.1 General

The assets and liabilities of the Fund will be valued in accordance with the Articles of Association and the provisions outlined below.

The Board of Directors may apply other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The Board of Directors may adjust the value of any asset if the Board of Directors determines that such adjustment is required to reflect its fair value taking into account its denomination,

maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the Board of Directors may cancel the first valuation and carry out a second valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the Board of Directors has authorised the UCI Administrator to rely in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations. In the event that valuations are not available or valuations may not correctly be assessed using such pricing sources, the UCI Administrator will rely upon valuation methods and determinations provided by the Board of Directors.

The Board of Directors and the UCI Administrator may consult with and seek the advice of the Management Company in valuing the Fund's assets. Where the Board of Directors considers it necessary, it may seek the assistance of a valuation committee whose task will be the prudent estimation of certain assets' values in good faith.

In the absence of fraud, bad faith, gross negligence or manifest error, any decision taken in accordance with the Articles of Association and the Prospectus by the Board of Directors or any agent appointed by the Board of Directors in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all investors, and neither the Board of Directors nor any agent appointed by the Board of Directors shall accept any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

9.2.2 Assets of the Fund

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Fund shall include the following:

1) all cash on hand or on deposit, including any outstanding accrued interest;

2) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;

3) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;

4) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);

5) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;

6) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and

7) all other assets of any kind and nature including expenses paid in advance.

9.2.3 Liabilities of the Fund

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Fund shall include the following:

1) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);

2) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;

3) a provision for any tax accrued to the Valuation Day and any other provisions authorised or approved by the Fund; and

4) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 10 (Fees and expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years. The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised costs of establishment of the Fund.

9.2.4 Valuation principles

In accordance with the Articles of Association, the valuation of the assets of the Fund will be conducted as follows:

1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

2) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.

4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

5) Financial derivative instruments which are traded “over-the-counter” (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.

6) Notwithstanding paragraph 2) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such

unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.

7) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

9.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes

Assets and liabilities of the Fund will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association, as set out below, and the Supplement of the Sub-Fund.

1) The proceeds from the issue of Shares of a Sub-Fund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 8.1 (Shares, Sub-Funds and Share Classes) above).

2) All liabilities of the Fund attributable to the assets allocated to a Sub-Fund or Share Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Share Class will be charged to that Sub-Fund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.

3) Any assets or liabilities not attributable to a particular Sub-Fund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to investors generally and will normally be allocated to all Sub-Funds or Share Classes *pro rata* to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Share Class.

9.2.6 Additional rules for assets and liabilities of the Fund

In calculating the Net Asset Value of each Sub-Fund or Share Class the following principles will apply.

1) Each Share agreed to be issued by the Fund on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Fund, the assets

of the Sub-Fund or Share Class concerned will be deemed to include a claim of that Sub-Fund or Share Class for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.

2) Each Share agreed to be redeemed by the Fund on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Fund, the liabilities of the Sub-Fund or Share Class concerned will be deemed to include a debt of that Sub-Fund or Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.

3) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Fund to be the distribution accounting date, the Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.

4) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Fund, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Fund, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Fund has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the Fund in accordance with the valuation principles described above.

5) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Fund, Sub-Fund or Share Class will be converted, as applicable, into the Reference Currency of the Fund, Sub-Fund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the Board of Directors considers appropriate.

9.2.7 Swing pricing mechanism

Subscriptions and redemptions may impact the Net Asset Value (NAV) due to portfolio rebalancing costs associated with investment and divestment transactions. These costs may result from the difference between the transaction price and the valuation price, as well as from taxes or brokerage fees. As the case may be, such costs may also include implicit transaction costs arising from the bid-ask spread and any significant market impact of asset purchases or sales, estimated on a best effort basis.

To protect the interests of existing shareholders, the Board of Directors may decide to apply a swing pricing mechanism to any Sub-Fund, subject to a predefined activation threshold.

Accordingly, when the net balance of subscriptions and redemptions across all share classes exceeds the predetermined threshold in absolute terms, an adjustment to the NAV will be applied. As a result, the NAV will be adjusted by a certain percentage set by the Board of

Directors called “swing factor”, upwards in case of net subscriptions (or downwards in case of net redemptions, as applicable), when the net subscriptions/redemptions balance is positive (or negative, respectively). The purpose of this adjustment is to mitigate the impact of subscription and redemption activity on the NAV per Share for existing shareholders.

Under normal market circumstances, the swing factor for all Sub-Funds will not exceed two percent (2%) of the Net Asset Value of Shares unless otherwise set out for each Sub-Fund under the relevant Supplement. In extraordinary market circumstances (such as stressed or dislocated markets that lead to increased trading costs), where the Fund considers it to be in the best interests of shareholders, the Board of Directors may decide, on a temporary basis, to apply a swing factor in excess of the maximum disclosed above. Any such decision will be communicated to shareholders through the usual communication channels.

This activation threshold is expressed as a percentage of the Sub-Fund’s Net Asset Value.

The level of the activation threshold, as well as the swing factor, are determined by the Board of Directors and are reviewed regularly.

Due to the application of swing pricing, changes in the Fund’s NAV may not be solely attributable to the performance of the underlying portfolio assets.

Where applicable, any performance fee will be calculated on the basis of the NAV before application of the swing factor.

Those responsible for implementing the mechanism are informed of its detailed parameters, in particular the activation threshold percentage, to prevent opportunistic investor behaviour. This is without prejudice to the Fund’s obligation to justify the swing factor applied on an ex-post basis upon request from the competent authority.

9.3 Publication of the Net Asset Value

The publication of the Net Asset Values will take place on the next Business Day after a Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Management Company during normal business hours and is published on www.varennecapital.com.

9.4 Temporary suspension of the Net Asset Value calculation

The Board of Directors may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Sub-Fund in the following cases:

1) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;

2) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;

3) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;

4) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;

5) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;

6) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;

7) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;

8) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a Master Fund in which a Sub-Fund invests as a Feeder Fund;

9) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of investors;

10) in the event of a notice to shareholders of the Fund convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;

11) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;

12) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and

13) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Fund has completed

the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in the any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and may be published on www.varennecapital.com where appropriate.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Sub-Fund or Share Class will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Sub-Fund or Share Class.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the UCI Administrator before the end of the suspension period.

10. FEES AND EXPENSES

10.1 Subscription Fee and Redemption Fee

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the Supplement, where applicable. Conversions of Shares may be subject to a Conversion Fee calculated as specified in the Supplement, where applicable. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Where applicable, an identical Subscription Fee, Redemption Fee, or Conversion Fee will apply, respectively, to all subscriptions, redemptions and conversions of Shares in each Share Class processed on the same Subscription Day, Redemption Day or Conversion Day.

Should a Sub-Fund qualify as a Master Fund, no Subscription Fee, Redemption Fee or Conversion Fee will be charged in respect of subscription, redemption or conversion requests of any Feeder Fund of that Master Fund.

Banks and other financial intermediaries appointed by or acting on behalf of the investors, where applicable, may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Fund has no control over such arrangements.

10.2 Management Fee

The Management Company will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class and paid out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above). The Management Fee will accrue on each Valuation Day and will be payable at the rate specified in the Supplement for each Sub-Fund or Share Class. The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Management Company pays the Funds' distributors, and other fees, out of the fees it receives from the Fund. The Management Company, in its capacity as global distributor of the Fund's Sub-Funds, has entered into distribution agreements with distributors. To the extent described in the agreement(s), the distributor(s) may enter into distribution agreements with any professional agent, particularly banks, insurance companies, fund platforms, independent managers, brokers, management companies or any other institution whose primary or secondary activity is the distribution of investment funds and customer service. Fees paid to distributors are calculated as a percentage of the Management Fee. The Management Company can also enter into management fee discount agreements (directly or indirectly through its distributors) with Shareholders, who will be paid a share of the management fee. In order to ensure fair treatment of all Shareholders, the possibility to enter into management fee discount arrangements is based on objective criteria set out in the Management Company's policy on management fee discount arrangements available on its website www.varennecapital.com. Consequently, management fee discount agreements will only be entered into with Shareholders who meet those criteria, thereby enabling the Management Company to offer an enhanced quality of service to all Shareholders. Further information on management fee discount arrangements can be obtained by contacting the Management Company. The Management Company may decide to waive all or part of its fee to reduce its

impact on performance. Such a waiver may apply to any Sub-Fund or Share Class, for any duration and to any extent, at the discretion of the Management Company.

The Management Fee covers the services performed by the Management Company and its delegates. It does not cover administration services performed by the Depositary and the UCI Administrator. The Fund pays separate fees to the Depositary and the UCI Administrator as described below.

10.3 Performance Fee

The Management Company may be entitled to receive a Performance Fee with respect to certain Sub-Funds or Share Classes; the payment and size of the Performance Fee depends on the performance of the Sub-Fund or Share Class over a specified time period in excess of the applicable reference assets as set out in each Supplement. The Performance Fee is calculated and accrued at each Valuation Day on the basis of the Net Asset Value after deducting all fees and expenses, including the Management Fee and the Management Company Fee (but not the Performance Fee) and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the Performance Fee. The Performance Fee is paid out of the assets of the Fund and allocated to the relevant Sub-Funds and Share Classes as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. Details regarding the calculation and payment of Performance Fees are contained in the Supplement. The Auditor will verify the Performance Fee calculation on an annual basis.

10.4 Fees of the Depositary, the UCI Administrator and the Domiciliary Agent

The Depositary will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a maximum rate expected to range from 0,01% to 0,05% per annum. The Depositary fee will accrue on each Valuation Day and will be annually payable out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The UCI Administrator will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a maximum annual rate expected to range from 0,01% to 0,05% per annum. The UCI Administrator fee will accrue on each Valuation Day and will be monthly payable out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The UCI Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Domiciliary Agent will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund consistent with market practice in Luxembourg, a maximum annual rate expected to range from 0,0005% to 0,0015% per annum. The Domiciliary Agent fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets

of the Fund and allocated to each Sub-Fund (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Domiciliary Agent will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Further fees may be payable to the Depositary, the UCI Administrator and the Domiciliary Agent in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary, the UCI Administrator and the Domiciliary Agent. The Depositary fee, the UCI Administrator fee and the Domiciliary Agent fee may be adjusted as may be agreed from time to time between the Depositary, the UCI Administrator and the Domiciliary Agent with the Fund and the Management Company, where applicable.

10.5 Directors' fees and expenses

The members of the Board of Directors are entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of the Management Company or its affiliates will be requested to waive their fees. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question. The Fund may also pay fees and expenses to members of any committee established by the Board of Directors, where applicable.

10.6 Operating and Administrative Expenses

The Fund bears all ordinary costs and expenses incurred in the operation and administration of the Fund or any Sub-Fund or Share Class ("**Operating and Administrative Expenses**") including but not limited to costs and expenses incurred in connection with:

1) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Prospectus, a KID, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);

2) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;

3) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;

4) investment services taken and/or data obtained by the Fund or the Management Company on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes);

5) the authorisation of the Fund, the Sub-Funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;

6) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);

7) memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);

8) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d'abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and

9) the reorganisation or liquidation of the Fund, a Sub-Fund or Share Class.

10.7 Transaction costs

Each Sub-Fund bears the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, execution agents or securities lending agents and/or incurred in participating in any securities lending, repurchase and buy-sell back programs, collateral management fees and associated costs and charges, exchange fees, taxes, levies and stamp duties chargeable in connection with transactions in securities or other financial, and any other transaction-related expenses approved by the Management Company.

10.8 Extraordinary costs and expenses

In order to safeguard the interests of the Fund and its investors, the Fund or any Sub-Fund may bear any extraordinary costs and expenses including, without limitation, costs and expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Sub-Fund that would not be considered as ordinary Operating and Administrative Expenses.

10.9 Formation costs and expenses

The costs and expenses incurred in connection with the formation of the Fund are estimated to an amount of approximately seventy thousand euros (EUR 70.000). Such costs and expenses will be borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation costs and expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised formation costs and expenses of the Fund.

11. GENERAL INFORMATION

11.1 Reports and financial statements

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The Fund will also issue a Semi-Annual Report as of 30 June of the current financial year. The first financial year will end on 31 December 2021 and the first Annual Report was issued as of April 2022.

The Annual Report shall be made available to investors within four (4) months following the end of the reporting period and the Semi-Annual Report will be made available to investors within two (2) months following the end of the reporting period. Investors may obtain, upon request, a copy of the latest financial reports from the Fund and /or Management Company free of charge and on www.varennecapital.com.

The Reference Currency of the Fund is the Euro. The Annual Report will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

11.2 Meetings of shareholders

The annual general meeting of shareholders shall be held within the 4 months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General meetings of shareholders of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

Notices of all general meetings may be made through announcements filed with the Luxembourg Trade and Companies Register and be published at least fifteen (15) days before the meeting in *the Recueil électronique des sociétés et associations* (RESA) and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail (*lettre missive*); alternatively, convening notices may be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. Convening notices will also be published and/or communicated to investors as required by applicable laws and regulations in other jurisdictions where the Shares are distributed and may be published on www.varennecapital.com. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend

general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the board of directors relating to transactions in connection with the management of the Fund.

The Board of Directors may suspend the voting rights of any shareholder in breach of his obligations as described in this Offering Document, the Subscription Form or the Articles of Association.

11.3 Investors' rights

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the investors' attention to the fact that, where an investor invests in the Fund through an intermediary acting in his own name but on behalf of the investor, it may not always be possible for the investor (i) to exercise certain shareholder rights, such as the right to participate in general meetings of shareholders, directly against the Fund or (ii) to be indemnified in case of Net Asset Value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the Fund (including any Sub-Funds). Investors are advised to seek advice in relation to their rights.

The Articles of Association are governed by, and construed in accordance with, the laws currently into force in Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Fund, the rules of the Brussels I (Recast) (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Absent a direct contractual relationship between the investors and the service providers mentioned in section 7 (Management and Administration) above, the investors will generally have no direct rights against service providers and there are only limited circumstances in which an investor can potentially bring a claim against a service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by a service provider is, *prima facie*, the Fund itself.

11.4 Changes to this Prospectus

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share

Class. Any amendment of this Prospectus will require approval by the CSSF. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

11.5 Benchmarks Regulation

When calculating the Performance Fee payable to the Management Company certain Sub-funds are using benchmarks within the meaning of the Benchmarks Regulation. As a result, the Fund has adopted written plans setting out actions, which it will take with respect to the Sub-Funds listed in the table below in the event that any of the benchmarks listed in the table below materially changes or ceases to be provided (the "**Contingency Plan**"), as required by article 28(2) of the Benchmarks Regulation. Investors may access the Contingency Plan free of charge upon request at the registered office of the Fund, as indicated in section 10.6. "Documents Available for Inspection".

The benchmark(s) listed in the table below are being provided by the entity specified next to the name of each benchmark, in its capacity as administrator, as defined in the Benchmarks Regulation. The status of each benchmark's administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark administrator in the table below.

Should the status of the administrator change after the date of this visa-stamped Prospectus, this Prospectus will be updated accordingly as part of its next update.

Sub-Fund	Benchmark	Administrator	Status of the administrator
VARENNE GLOBAL	Euro Short Term Rate	European Central Bank	Exempted pursuant to article 2.2 of the Benchmarks Regulation
VARENNE VALEUR	Euro Short Term Rate	European Central Bank	Exempted pursuant to article 2.2 of the Benchmarks Regulation
VARENNE CONVICTION	MSCI World NTR (USD)	MSCI Limited	Authorized as a UK benchmark administrator. Considered a third country administrator regarding the Benchmarks Regulation
VARENNE LONG SHORT	Euro Short Term Rate	European Central Bank	Exempted pursuant to article 2.2 of the Benchmarks Regulation

VARENNE CONVICTION EUROPE	STOXX Europe 600 NR (EUR)	STOXX Ltd	Authorized as a Swiss benchmark administrator. Considered a third country administrator regarding the Benchmarks Regulation
VARENNE CONVICTION US	S&P 500 TR (USD)	S&P Dow Jones Indices LLC	Endorsement under Art 33 of benchmark regulation by S&P DJI Netherlands B.V regulated in the Netherland by Netherlands Authority for the Financial Markets (AFM)

11.6 Documents available

Investors may, upon request, obtain a copy of the Articles of Association, this Prospectus, the applicable KID as well as of the latest Annual Report or Semi-Annual Report at the registered office of the Fund and/or Management Company free of charge during business hours on any full bank business day in Luxembourg.

The Management Company has adopted a "best execution" policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the Management Company upon request.

The Management Company has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund's investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained from the Management Company upon request and on www.varennecapital.com.

11.7 Complaints

Any investor having a complaint to make about the operations of the Fund may file a complaint by writing to the Management Company. Details on the complaints handling procedure may be obtained from the Management Company upon request and on www.varennecapital.com.

11.8 Data protection

In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, and local laws and regulations where applicable, the Fund, as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. The

data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Fund of investors ("**Personal Data**"). The investor may at his/her discretion refuse to communicate Personal Data to the Fund. In this case, however, the Fund may reject a request for Shares. Each investor has a right to access his/her Personal Data and may ask for Personal Data to be rectified where it is inaccurate or incomplete by writing to the Fund at its registered office, as indicated in the Directory.

Personal Data supplied by investors is processed, in particular, for the purposes of processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and compliance with applicable anti-money laundering rules. Data supplied by shareholders is also processed for the purpose of maintaining the register of shareholders of the Fund. In addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of its Personal Data for marketing purposes by writing to the Fund.

To this end, Personal Data may be transferred to affiliated and third-party entities supporting the activities of the Fund which include, in particular, the Management Company which is located in the European Union. Personal Data may not be transferred to entities located in countries outside of the European Union and whose data protection laws does not offer an adequate level of protection. In subscribing for Shares, each investor expressly consents and agrees to the transfer and processing of his/her Personal Data to the entities referred to above. The Fund may also transfer Personal Data to third parties such as governmental or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

11.9 Merger and reorganisation

11.9.1 Merger of the Fund or a Sub-Fund with other UCITS

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund, where the Fund is the receiving entity, with one or several other Luxembourg or foreign UCITS or sub-funds thereof. The Board of Directors may also decide to proceed with a merger (within the meaning of the 2010 Law) of one or several Sub-Funds, which may be the receiving or the merging Sub-Funds, with one or several other Sub-Funds within the Fund or with one or several other Luxembourg or foreign UCITS or sub-funds thereof. Such mergers do not require the prior consent of the shareholders.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the shareholders of the Fund or any Sub-Fund, as applicable, may also decide on any of the mergers described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund(s) concerned, as applicable. The convening notice will explain the reasons for and the process of the proposed merger.

The Fund may be merged (within the meaning of the 2010 Law) into one or several other Luxembourg or foreign UCITS, or sub-fund thereof, where the Fund is the merging entity, which thus ceases to exist as a result of the merger. In such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. The general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

In all cases described in the preceding paragraphs, a merger of the Fund or one or several Sub-Fund(s) will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the common draft terms of the merger to be established by the Board of Directors and the information to be provided to investors.

11.9.2 Absorption of another UCI by the Fund or a Sub-Fund

The Fund may absorb another Luxembourg or foreign UCI (other than a UCITS) incorporated under a corporate form in compliance with the 1915 Law and any other applicable laws and regulations.

The Board of Directors may also decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Fund or one or several Sub-Funds, including by way of merger or by acceptance of a contribution in kind, of a Luxembourg or foreign UCI (other than a UCITS) constituted under a non-corporate form, or one or several sub-funds of another Luxembourg or a foreign UCI (other than a UCITS) irrespective of its legal form.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Sub-Fund, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed absorption.

11.9.3 Reorganisation of Share Classes

The Board of Directors may decide to reorganise Share Classes, as further described below, in the event that, for any reason, the Board of Directors determines that:

(i) the Net Asset Value of a Share Class has decreased to, or has not reached, the minimum level for that Share Class to be operated in an efficient manner;

(ii) changes in the legal, economic or political environment would justify such reorganisation; or

(iii) a product rationalisation would justify such reorganisation.

In such a case, the Board of Directors may decide to re-allocate the assets and liabilities of any Share Class to those of one or several other Share Classes, and to re-designate the Shares of the Share Class concerned as Shares of such other Share Class or Share Classes (following a split or consolidation of Shares, if necessary, and the payment to investors of the amount corresponding to any fractional entitlement).

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, investors may also decide on such reorganisation by resolution taken by the general meeting of shareholders of the Share Classes. The convening notice will explain the reasons for and the process of the proposed reorganisation.

Investors will be informed of the reorganisation by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and may be published on www.varennecapital.com. The notice will explain the reasons for and the process of the reorganisation.

11.10 Liquidation

11.10.1 Termination and liquidation of Sub-Funds or Share Classes

The Board of Directors may decide to compulsorily redeem all the Shares of any Sub-Fund or Share Class and thereby terminate and liquidate any Sub-Fund or Share Class in the event that, for any reason, the Board of Directors determines that:

(i) the Net Asset Value of a Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be operated in an efficient manner;

(ii) changes in the legal, economic or political environment would justify such liquidation; or

(iii) a product rationalisation would justify such liquidation.

Investors will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and may be published on www.varennecapital.com. The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of any Sub-Fund or Share Class, as applicable, may also decide on such termination by resolution taken by the general meeting of shareholders of the Sub-Fund or Share Class and have the Fund redeem compulsorily all the Shares of the Sub-Fund or Share Class at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Sub-Funds or Share Classes with a defined term will be automatically terminated and liquidated upon the occurrence of their term, as set out in the Supplement where applicable, unless terminated earlier in accordance with the provisions of this section.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Sub-Fund or Share Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of investors in that Sub-Fund or Share Class or could jeopardise the fair treatment of investors.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund as described in section 11.10.2 (Dissolution and liquidation of the Fund) below.

11.10.2 Dissolution and liquidation of the Fund

The Fund is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2010 Law and the 1915 Law.

As soon as a decision to dissolve the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited. The liquidation will be carried out in accordance with the provisions of the 2010 Law and 1915 Law. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

12. TAXATION

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based on the Luxembourg law and regulations in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus. These laws and interpretations are subject to change that may occur after such date, even with retroactive or retrospective effect.

Prospective purchasers of the Shares should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing of the Shares, including the application and effect of any federal, state or local taxes under the tax laws of the Grand Duchy of Luxembourg and each country of which they are residents or citizens.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), as well as a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune),* as well as other duties, levies and taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

12.1 The Fund

Under current law and practice, the Fund is not liable for any Luxembourg income or net wealth tax nor are distributions, redemptions or payments made by the Fund to its shareholders under the Shares and distribution of liquidation proceeds subject to any Luxembourg withholding tax.

At the date of this Prospectus, the Fund is liable to a registration duty of EUR 75 upon incorporation, or if the Articles of Association are amended and a subscription tax (*taxe d'abonnement*) of 0.05% per annum, such tax being payable quarterly and calculated on the aggregate net assets of the Fund valued at the end of the relevant calendar quarter, unless a reduced tax rate of 0.01% per annum is applicable. Furthermore, some exemptions from subscription tax are available.

The Fund may be subject to withholding tax on dividends and interest as well as to tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, may not be creditable/refundable in Luxembourg. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to Fund.

In Luxembourg, regulated investment funds such as SICAVs, have the status of taxable persons for value added tax ("**VAT**") purposes. Accordingly, the Fund is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

12.2 Shareholders

Shareholders may not be subject to any capital gains, income or withholding tax in Luxembourg, unless the shareholders are Luxembourg residents, or non-resident shareholders who or which have a permanent establishment or a permanent representative in Luxembourg.

12.3 Exchange of information – Common Reporting Standard

Capitalized terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

The Fund may be subject to the CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund is required to annually report to the Luxembourg tax authority personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain shareholders qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "Information"), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. The shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law.

The shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction.

In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements, should any included personal data be not accurate. The shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the shareholders may suffer material losses.

Any shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such shareholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities, and the Fund may, in its sole discretion redeem the Shares of such shareholders.

12.4 Exchange of information - FATCA

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities.

As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (*administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its shareholders. On the request of the Fund, each shareholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purpose set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the shareholders may suffer material losses. The failure for the Fund to obtain such information from each shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such shareholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Shareholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

SUPPLEMENT 1 – VARENNE GLOBAL

1. Launch date

The Sub-Fund has been launched on 14 February 2022.

2. Reference Currency

The Reference Currency of the Sub-Fund is Euro.

3. Investment objective

Over the recommended investment period, the Sub-Fund aims to achieve an annualised performance in excess of the Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) + 300 basis points, by implementing a totally discretionary management strategy, without geographical or sector constraints, based on the Management Company's market expectations. The management is disconnected from any benchmark indicator.

4. Investment policy and specific restrictions

The investment strategy is carried out on a totally discretionary basis with respect to the different asset classes and does not provide for any geographical or sector constraints. Therefore, no specific geographical or sectoral area will be favoured. Similarly, no investment in any specific category of financial assets will be favoured. The choice of investment is determined on the basis of the opportunities offered by the markets as analysed by the management team and on the basis of the management team’s expectations regarding market trends. The Sub-Fund is actively managed and references the Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) + 300 basis points for comparison purposes and for Performance Fee calculation purposes.

The Sub-Fund promotes environmental and social characteristics according to article 8 of the SFDR. Information relating to the environmental and social characteristics of this Sub-Fund is available in the Appendix to Supplement 1 – Varenne Global below.

Thus, depending on the state of the market, the Sub-Fund may invest in the following financial assets from any geographical and sectoral area:

- **Equities**

Exposure to equities or other securities giving access to the capital of issuers (including American Depositary Receipts (ADR) and/or Global Depositary Receipts (GDR) up to 10% of the net assets of the Sub-Fund) may vary between 0% and 200% of the net assets of the Sub-Fund.

The investment strategy is based on the active selection of long or buy-sell positions in the context of arbitrage on mergers and acquisitions and capital restructuring (non-directional "**Special Situations**") or long or short positions based on company capitalisation in relation to the estimated enterprise value calculated by the Management Company. This strategy may involve a regular rotation of the Sub-Fund's assets, which may result in costs related to the purchase and sale of securities. Any short position will be achieved through the use of financial derivative instruments.

In the case of Special Situations, this mainly involves arbitrage on mergers and acquisitions and on capital restructuring without directional risks. The management team may also be involved in any other type of transaction likely to achieve the investment objective. The assets involved are mainly equities, but also convertible bonds and/or derivatives.

Merger and acquisition arbitrage is a strategy that consists in taking a long or short position on the securities of companies involved in merger and acquisition transactions in order to capture the difference that may exist between the quoted price of the target and the price corresponding to the terms of the offer. Depending on the nature of the bid, the arbitrageur will initiate a long position on the target company only (cash bid), or a long position on the target company and a short position on the buying company (exchange offer).

Arbitrage on capital restructuring combines different strategies:

- Arbitrage on preferential subscription rights is a strategy that consists in buying or selling subscription rights and simultaneously taking a reverse position on the securities underlying the subscription in proportions corresponding to the terms of the capital increase. Operational risk is the only risk factor.

- Arbitrage on capital reduction through the cancellation of shares is a strategy that consists in having a long position in the company's securities that will reduce its capital while having a short position in the same company in a proportion that makes it possible to capture the payment made in exchange for the cancellation of the securities without being exposed to market fluctuations. Operational risk is the only risk factor.

Investment decisions are discretionary and are based on fully proprietary processes and analysis.

The process allows a continuous monitoring of opportunities. It also allows real-time monitoring of transactions and automated portfolio construction according to a proprietary allocation model.

Special Situations may concern all sectors, all capitalisations and all geographical areas.

In the case of long or short positions on the basis of the target company's value in relation to the Management Company's estimate, a fundamental approach which is notably based on the following key factors: analysis of each target company’s strategy, growth potential of its activities, visibility on its future results and balance sheet structure, as well as medium-term valuation potential. In addition, a qualitative assessment is made of the management of the companies.

Investment opportunities likely to achieve the investment objective will be sought on a discretionary basis without restriction as to size (small, medium or large capitalisations), sector or geographical location and may be realised in directly held securities, through the use of "Contract For Difference" (CFD) or derivatives (e.g. options, futures, forwards) issued on regulated markets and/or by counterparties selected and authorised by the Management Company.

- **Debt securities and money market instruments**

Exposure to debt securities and money market instruments may vary between 0% and 200% of the Sub-Fund's net assets.

The Management Company may choose to position itself according to its expectations on investment grade debt securities (rated from AAA to BBB- by the rating agencies, according to the Standard & Poor's scale). In case a security in which the Sub-Fund is invested would be downgraded under BBB- by the rating agencies (according to the Standard & Poor's scale), the Sub-Fund will sell this security in accordance with the best interests of the Shareholders). The Sub-Fund will not invest in distressed or defaulted securities and unrated bonds. Investments may be made in Treasury securities, fixed-rate or floating-rate sovereign wealth funds (*fonds d'Etat*), negotiable Treasury bonds, bonds on the secondary or primary market, in the form of government bonds or private bonds.

The Management Company does not make mechanical use of ratings provided by credit rating agencies and preferably relies on its own credit analysis to assess the credit quality of these assets and in selecting securities at the time of acquisition.

The sensitivity range will be between 0 and 4.

- **UCITS, UCIs or eligible investment funds**

The portion invested in UCITS, UCIs and eligible investment funds represents up to 10% of the net assets of the Sub-Fund under the conditions specified hereafter.

The selected UCITS, UCIs and foreign investment funds may be managed by the Management Company or any external company.

- **Financial contracts**

Exposure to financial contracts may vary between 0% and 200% of the Sub-Fund's net assets.

For hedging and/or exposure purposes, the Management Company may use futures, forward, swap and/or currency exchange instruments traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be achieved through long or short positions on underlying assets that are correlated or uncorrelated with the assets making up the portfolio (equities, fixed income) or on equity indices, debt security indices or eligible commodity indices. Hedging may also be carried out within the framework of the Management Company's expectations regarding changes in the direct or inverse correlation between different asset classes such as, for example, the historical correlation between equities and diversified commodity indices. These instruments will also be used for exposure and/or hedging purposes vis-à-vis foreign exchange markets, on a totally discretionary basis, according to the management team's expectations.

The Sub-Fund may use financial derivative instruments including OTC derivatives for hedging and investment purposes.

In particular, total return swaps may be used to generate investment returns, to hedge other investments or to comply with regulations through the hereafter listed underlyings: equity, forex, interest rates, credit and commodity (e.g. exchange traded commodity or eligible commodity indices). The notional amount of such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the notional amount of such total return swap will amount to 50% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

The Sub-Fund may also temporarily retain amounts in cash equivalents including investments in money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.

The Sub-Fund may also hold liquid assets on an ancillary basis, in accordance with section 4.1.3 of the Prospectus.

5. Investor profile

The Sub-Fund is dedicated to all types of investors.

The Sub-Fund is intended for investors seeking capital growth. The Sub-Fund is intended as a long term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund. The recommended investment period is more than 5 years.

6. Specific risks

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

7. Sustainability Risks Likely Impacts

The portfolio of the Sub-Fund is highly diversified; hence the Management Company believes that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ depending on the nature of each asset class.

Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

In light of the Sub-Fund's investment strategy and risk profile, the likely impacts of Sustainability Risks on the Sub-Fund's returns are expected to be low.

8. Global exposure and level of leverage

The global exposure of the Sub-Fund is calculated and monitored under the absolute VaR approach. The global exposure of the Sub-Fund may not exceed 20% of its Net Asset Value, on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.

The level of leverage of the Sub-Fund, based on the "sum of notionals" approach, is generally not expected to exceed 500% of the Net Asset Value. In certain circumstances the leverage of the Sub-Fund may exceed the above level**.**

9. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

10. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is each Valuation Day prior to 11 am CEST. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

11. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is each Valuation Day prior to 11 am CEST. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

12. Share Classes

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.varennecapital.com.

"A-EUR" Share Class: these Share Classes are for all investors, natural persons and legal entities.

"**A-CHF" Share Class:** this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"A-USD" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"I-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement.*

"I-CHF" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement* willing to benefit from Currency Hedging at Share Class Level against EUR/CHF currency risk.

"I-USD" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement* willing to benefit from Currency Hedging at Share Class Level against EUR/USD currency risk.

"B-BRL" Share Class: this Share Class is available to investors which have entered into (directly or indirectly through a delegate or representative) a distribution agreement or equivalent with the Management Company or any of its affiliates and approved by the Board of Directors willing to benefit from a Currency Hedging at Share Class Level against EUR/BRL currency risk.

"F-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement* which have entered into (directly or indirectly through a delegate or representative) a distribution agreement or equivalent with the Management Company or any of its affiliates and approved by the Board of Directors.

"P-EUR" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management).

"P-USD" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"P-CHF" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"P-GBP" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/GBP currency risk.

"VCP-EUR" Share Class: this Share Class is reserved for Varenne Capital Partners and its employees, directors, shareholders as well as holding companies they control and employee shareholding funds (FCPE).

13. Distribution policy

Shares are generally issued as Capitalisation Shares. Distribution Shares will only be issued within the Sub-Fund at the Board of Directors' discretion. Investors may enquire at the Management Company whether any Distribution Shares are available within each Share Class.

Net income and net realised capital gains are capitalised for each Share Class of the Sub-Fund Eligible Investors.

14. Performance Fee

The Sub-Fund employs a variant model of the high-water mark model referred to as a high-on-high model according to the ESMA Guidelines on Performance Fee, whereby the Performance Fee, applicable to a given category of Share Class is based on the comparison between the Sub-Fund's assets and the reference assets.

The Performance Fee is calculated on the basis of the difference between the performance of the Net Asset Value per Share of the relevant Share Class on the End of Year Date (as defined below) and the reference assets, being the higher between (i) the High Water Mark (as defined below), and (ii) the Net Asset Value per Share as of the first Business Day of the relevant calendar year (the "**Calculation Period**") adjusted by the performance of Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) + 300 basis points - floored at 0, (the "**Hurdle**"), by recording the same movements in subscriptions and redemptions as the Sub-Fund, such as:

- in the event of subscriptions: any provision for Performance Fee is adjusted proportionally;
- in the event of redemptions: as the case may be, any Performance Fee provision on the Share Classes concerned is definitively acquired by the Management Company.

If during the observation period the Net Asset Value (before deduction of the Performance Fee) is higher than that of the reference asset defined above, the Performance Fee will not exceed 14.95% (the "**Performance Fee Rate**") of the difference between these two assets. The Performance Fee Rate is a maximum that can be reduced at the discretion of the Management Company, taking into account, among others, the level of interest rates. In that case, such reduction will be decided before the beginning of the fiscal year and disclosed via the Management Company's website and will be included in the Annual Report and Semi-Annual Reports as well as in the monthly factsheets. The effective level of Performance Fee will be disclosed in the Annual Report and the Semi-Annual Report.

In the event of outperformance, a provision is made for the Performance Fee at each determination of the Net Asset Value.

In the event of underperformance, the provision account is readjusted by a reversal of the provision, capped at the level of the existing allocation.

The "**Performance Period**" for the calculation of the Performance Fee is the last five (5) years (calculated on a rolling basis).

In respect of each Share Class and according to the high-on-high model defined in the ESMA Guidelines on Performance Fee, the "**High Water Mark**" is (i) the initial Net Asset Value per Share of the relevant Share Class until a Performance Fee is crystallized on an End of Year Date, and thereafter (ii) the highest Net Asset Value per Share as of any End of Year Date on which a Performance Fee has been crystallized and paid during the Performance Period.

If no Performance Fee has been paid during a Performance Period, the Management Company has the possibility to reset the applicable High Water Mark to the highest Net Asset Value per Share on any End of Year Date during the relevant Performance Period (the "**Reset of the High Water Mark**"). If such value is higher than the High Water Mark applicable at the end of the relevant Performance Period, the Management Company will not apply the Reset of the High Water Mark and the High Water Mark will remain unchanged until the next End of Year Date on which the Management Company may assess the reset of the High Water Mark in respect of the relevant Performance Period.

Please refer to Years 7 and 8 of Example 4 below for an example of the application of the Reset of the High Water Mark.

By using two different reference assets (i.e. the High Water Mark or the Hurdle), and calculating the Performance Fee on the basis of the highest between them, the Management Company ensures that the Performance Fee is only crystallized if the Net Asset Value exceeds the Hurdle over the relevant Calculation Period and upon absolute performance of the Net Asset Value during the Performance Period.

The Performance Fee, if any, is charged annually and only on Share Classes that have been active over the full year.

The crystallization frequency is yearly and the crystallization date happens on the last NAV date of the year, subject to a minimum period of twelve months (the "**End of Year Date**").

The Euro Short Term Rate (€STR) index is calculated as a weighted average of all day-to-day unsecured loan transactions carried out by the most active banking institutions in the eurozone. It is calculated by the European Central Bank and disseminated by the Banking Federation of the European Union. For the purpose of calculating the Performance Fee, it is considered as a "cash benchmark", and is equivalent to a hurdle rate. It is available on the https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html.

Performance Fee calculation for the Sub-Fund:

Example 1

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 110
- HWM = High Water Mark: 105
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 14.95%
- OS = Outstanding number of shares: 1 000 000

The Sub-Fund performance (FP) is of 10% = ((B-A)/A)*100 = ((110–100)/100)*100

In order for the payment of the Performance Fee to become due, both conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 110 - 105 = 5

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle = 10% - 3.5% = 6.5%

- As both conditions are met, a Performance Fee is due (if only one were met, no Performance Fee would be due). The Performance Fee is calculated on the basis of the higher of a) the HWM (105) and b) the Hurdle, i.e. A*(1+Hurdle) (103.5). Outperformance (OP) in this case is therefore B-HWM =110-105= 5.

- Total Performance Fee: PFR*OS*OP = 14.95%*1.000.000*5

- Performance Fee per share = 14,95%*5

- The High Water Mark for the next year is now 110

Example 2

- A = Share price at start of Calculation Period: 100

- B = Share price at end of Calculation Period: 105
- HWM = High Water Mark: 108
- Hurdle = 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 14.95%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 5% = ((B-A)/A)*100 = ((105–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is not superior to the HWM:

  B-HWM = 105 - 108 = -3

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle = 5% - 3.5% = 1.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 108.

Example 3

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 103
- HWM = High Water Mark: 102
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 14.95%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 3% = ((B-A)/A)*100 = ((103–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 103 - 102 = 1

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is not superior to the Performance of the Hurdle

  FP – Hurdle = 3% - 3.5% = - 0.5%

- As all conditions are not met, a Performance Fee is not due.

The High Water Mark for the next year is still 102.

Example 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Share price at start of year	100 €	105.20 €	111.83 €	116.30 €	102.34 €	107.46 €	103.16 €	101.10 €	103.12 €	111.68 €	117.94 €
Share price at end of year	**105.20 €**	**111.83 €**	**116.30 €**	**102.34 €**	**107.46 €**	**103.16 €**	**101.10 €**	**103.12 €**	**111.68 €**	**117.94 €**	**120.00 €**
Performance	5.20%	6.30%	4.00%	-12.00%	5.00%	-4.00%	-2.00%	2.00%	8.30%	5.61%	1.75%
High Water Mark (HWM)	100.00 €	100.00 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	107.46 €	111.68 €	117.94 €
Share price at end of year over HWM	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes
Hurdle (1)	6.10%	5.70%	6.40%	6.30%	6.70%	5.80%	6.20%	5.90%	3.80%	5.40%	-1.00%
Performance of the Sub-Fund vs Hurdle	-0.90%	0.60%	-2.40%	-18.30%	-1.70%	-9.80%	-8.20%	-3.90%	4.50%	0.21%	1.75%
Share price at start of year adjusted of Hurdle	N/A	111.20 €	N/A	N/A	N/A	N/A	N/A	N/A	107.04 €	117.71 €	117.94 €
Performance Fee due	No	**Yes**	No (4)	No	No	No	No	No	**Yes**	**Yes**	**Yes (8)**
Reference Asset (2)	N/A	Hurdle (3)	N/A	N/A	N/A	N/A	N/A	N/A	HWM (7)	Hurdle	HWM
Reset of the HWM	No	Yes	No	No	No	No	No (5)	Yes (6)	Yes	**Yes**	**Yes**

(1) Hurdle is capitalized Euro Short Term Rate (€STR) (average over 12 rolling months) + 300 basis points.

(2) Reference Asset refers to calculate the Performance fees being the Higher between the HWM and the share price at start of year adjusted of the Hurdle.

(3) When both conditions are met, a Performance Fee is due, and the reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 111.20€, and the HWM is equal to 100€, the performance fee will be calculated in reference to the Hurdle. The Performance Fee Rate (14.95%) is applied between the Share price at the end of year and the Reference Asset (111.83-111.20= 0.63).

(4) In order for the payment of the Performance Fee to become due, the two conditions have to be filled, in that case, share price at the end of the year is above the HWM but under the Hurdle. All conditions are not met, performance fee is not due.

(5) Despite the absence of crystallisation of Performance Fee during the Performance Period, the HWM will not be reset as the highest share price at end of year (116.30€) during the Performance Period is higher than the previous HWM (111.83 €).

(6) In the absence of crystallisation of Performance Fee during the Performance Period, the HWM is reset. As the highest share price at the end of year (107.46€) during the Performance Period is lower than the previous HWM (111.83€), the Reset of the HWM is applied and the HWM is set at EUR 107.46 € as from Year 9.

(7) The reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 107.04€, and the HWM is equal to 107.46€, the performance fee will be calculated in reference to the HWM. The Performance Fee Rate (14.95%) is applied between the Share price at the end of year and the Reference Asset (111.68-107.46= 4.22).

(8) For this year, the Hurdle should have been -1% considering the value of Euro Short Term Rate (€STR) (average over 12 rolling months) + 300 basis points, but as the Hurdle is floored at 0%, the value will be 0% setting the performance of the Sub-Fund over the Hurdle to 1.75% instead of 2.75%. As both conditions are met, Performance Fee is due with reference to the HWM.

Table 1: Share Classes of Varenne Global

Share Class Name	A - EUR	A - CHF	A - USD	B - BRL	F- EUR	I - EUR	I - CHF	I - USD	P - EUR	P - USD	P - GBP	P - CHF	VCP - EUR
Share Class Reference Currency	EUR	CHF	USD	BRL	EUR	EUR	CHF	USD	EUR	USD	GBP	CHF	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C	C	C	C	C	C	C	C
Currency Hedged Share Class	NO	YES	YES	YES	NO	NO	YES	YES	NO	YES	YES	YES	NO
Minimum Subscription	1 share	1 share	1 share	15 000 000 BRL	5 000 000 EUR	3 000 000 EUR	3 000 000 CHF	3 000 000 USD	1 share	1 share	1 share	1 share	1 share
Minimum Additional Subscription	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share
Maximum Subscription Fee	2%	2%	2%	2%	5%	2%	2%	2%	2%	2%	2%	2%	2%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee (max) of the NAV	1.95%	1.95%	1.95%	1.95%	1.10%	1.10%	1.10%	1.10%	1.25%	1.25%	1.25%	1.25%	0.25%
Administrative Fee (max) of the NAV	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Performance Fee	Max. 14.95% (after tax) of the positive return of each Sub-Fund Share Class over and above the reference assets described above (Section 14 – Performance Fee)												N/A
Taxe d'abonnement	0.05%	0.05%	0.05%	0.05%	0.01%	0.01%	0.01%	0.01%	0.05%	0.05%	0.05%	0.05%	0.05%

APPENDIX TO SUPPLEMENT 1 - VARENNE GLOBAL

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Varenne Global (the "**Sub-Fund**")

Legal entity identifier: 254900HJAK5SRACXYH95

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
It will make a minimum of **sustainable investments with an environmental objective:** __%	It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Management Company systematically integrates its Environmental, Social, and Governance (ESG) policy within its Core Long Equity Framework, which serves as a cornerstone of the firm's investment strategy by generating proprietary ESG scores through a review of 40 factors, an analysis of environmental, social and governance factors, alongside conventional financial analysis.

The Core Long Equity Framework represents more than 50% of the assets of the Sub Fund

In addition, the Sub-Fund will apply on the Core Long Equity Framework the exclusion policy as described on the Management Company's website[1] which provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's data provider.

Finally, the Management Company will engage with companies held in the Sub-Fund that have a bottom quintile ESG to promote positive change in their ESG disclosures and/or ESG practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund, but for the purposes of comparison, the Management Company considers the investment universe.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators of the Sub-Fund for the Core Long Equity Framework are:

- The weighted average ESG score of the Sub-Fund and of the investment universe.
- The number of holdings in the Sub-Fund found to be in breach of the UN Global Compact principles (as covered and addressed by the Sub-Fund's data provider).
- The number of holdings in the Sub-Fund with which the Management Company has a formal engagement plan.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

[1] www.varennecapital.com

N/A

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, many adverse impacts that the Management Company considers to be material are interwoven into the core investment process for consideration, where possible and feasible. The Management Company has integrated into its processes procedures for considering these impacts through a combination of ESG-based exclusion, integration and engagement (as relevant). The sustainability factors that are considered are closely aligned in most cases with certain indicators for adverse impacts such as GHG emissions, GHG intensity, exposure to companies in the fossil fuel sector, violations of the UN Global Compact, and board gender diversity.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Management Company has determined a list of ESG factors that are considered material to the companies in which the Sub-funds might invest. The weight that is placed on these factors and the manner in which the Management Company take into consideration the risks and opportunities from these ESG factors varies by sectors/industries and impacts the internal scoring definitions scale (1 worst– 5 best) that is consistently used to assign internal ESG scores. The aggregate ESG scores are the weighted average of the E, S and G scores for the securities, utilizing weights that can vary by sector/industry.

Internal ESG scores and other relevant criteria are reviewed at least annually, and the Sub-Fund's investment holdings on the Core Long Equity Framework is reviewed before investment for compliance with the Sub-Fund's ESG criteria. As such, this dedicated ESG analysis module is an integral part of the pre-investment analysis process: for a given company, an ESG score is given on a scale (1 worst– 5 best); if the ESG score is less than 3, then the company is not eligible for investment, no matter how strong the other analysis modules may be.

Below are the key environmental, social and governance factors that the investment team considers material to its internal ESG Scores.

E factors	S factors	G factors

- Carbon emissions - Energy and Water Management Opportunities - Waste & Hazardous Material Management - Biodiversity Impact.	- Employee Health & Safety - Employee Engagement, Diversity, and Inclusion - Human Rights & Community Relations	- Corporate Governance - Business Ethics - Tax Transparency - Regulatory Risk

Also, this Sub-Fund applies an exclusion policy that provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's provider.

In addition, the Management Company considers it essential to be an active investor on behalf of the funds it manages and to participate in the consideration of environmental, social and governance issues through an appropriate voting policy.

The Management Company will engage with companies in the bottom quintile of the Sub-Fund to improve ESG disclosure and/or improve ESG practices. Engagement is integral to our fundamental research process, providing a framework for dialogue to actively support, influence or change ESG practices that may have a material impact on a company's ability to preserve or grow its economic value. In addition, the Management Company participates in a pooled engagement action. This allows the company to be part of a more global and broader approach and push for governance improvements in a wider universe than just the companies present in the Sub-Fund.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There are 4 components to the binding criteria utilized to select the investments in the Sub-Fund, which are:

- To ensure the promotion of both environmental and social characteristics as well as good governance, the Sub-Fund's portfolio-level aggregate ESG score will be better than the Sub-Fund's (average score) investment universe,
- Any target company must have an internal ESG score equal or higher than 3,
- No invested securities will be in breach of the UN Global Compact principles (as covered and addressed by our provider).
- There will be a formal engagement plan for each security held in the Sub-Fund that has a bottom quintile ESG score.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

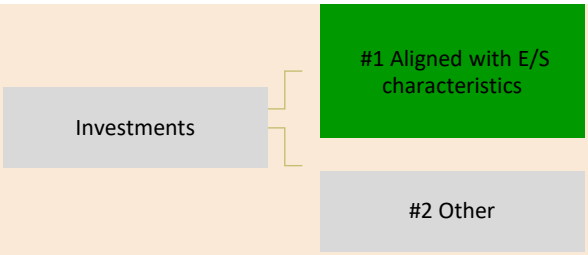
This Sub-Fund provides that investee companies follow good governance practices by ensuring that companies in the Sub-Fund are in compliance to the United Nations Global Compact (as covered and assessed by our provider); by engaging with companies in the bottom quintile of the Sub-Fund in order to improve ESG disclosure and/or improve ESG practices. The analysis of the company prior to investment and throughout the holding period includes consideration of, but not limited to, management structure, employee relations, remuneration and tax compliance.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund will invest a minimum of 50% of its assets in securities aligned with the Environmental and Social characteristics (#1) promoted by the Sub-Fund. The remaining will be constituted by the other strategies of the Sub-Fund such as short equity, financial contracts, cash or cash equivalents.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

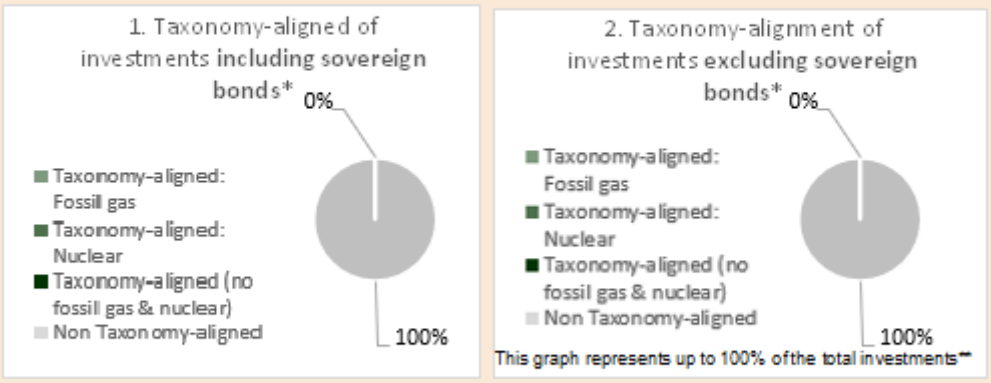
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.*

What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

What is the minimum share of socially sustainable investments?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Other investments include the other strategies of the Sub-Fund such as Special Situations, Financial contracts, cash, or cash equivalents. As such, they do not follow any minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.varennecapital.com/en/documents-esg

SUPPLEMENT 2 – VARENNE VALEUR

1. Launch date

The Sub-Fund has been launched on 25 April 2022.

2. Reference Currency

The Reference Currency of the Sub-Fund is Euro.

3. Investment objective

The objective of the Sub-Fund is to seek an annualised performance in excess of the Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) over the recommended investment period, by relying on discretionary management.

The management is disconnected from any benchmark indicator.

4. Investment policy and specific restrictions

In order to comply with eligibility for the French *Plan d'Epargne en Actions* (equity savings plan or "**PEA**")*,* at least 75% of the Sub-Fund's net assets will be permanently invested in securities and rights eligible for the PEA: either directly in shares and eligible securities, or indirectly through French or European UCIs eligible for the PEA.

The Sub-Fund promotes environmental and social characteristics according to article 8 of the SFDR. Information relating to the environmental and social characteristics of this Sub-Fund is available in the Appendix to Supplement 2 – Varenne Valeur below.

The Sub-Fund has a strategy of building up a portfolio of diversified assets. The implementation strategy is discretionary.

For all the asset classes and types of operations mentioned below, the Sub-Fund may invest without any sectoral constraints.

The Sub-Fund manages French or foreign financial assets in the Eurozone and outside the Eurozone. Eurozone residents may be exposed to foreign exchange risk.

Within the framework of futures or conditional futures contracts, swaps and/or forward exchange contracts, the Sub-Fund may trade on French markets and/or foreign regulated, organised or over-the-counter markets. Such instruments will be used to hedge risks (foreign exchange, interest rates, equities, etc.) and/or for exposure purposes. Currency risk hedging is not systematic and depends on the Management Company's analysis of the outlook for exchange rates, interest rates or equity markets.

The management of the Sub-Fund is based on the use of several complementary performance drivers:

- <u>Equities</u>

This Core Long Equity Framework focuses on investing in high-quality businesses with a sustainable competitive advantage, outstanding management teams, and

strong value creation dynamics. It emphasizes private equity-style due diligence, including management meetings and expert interactions, while targeting companies trading at a significant discount to intrinsic value. For the avoidance of any doubt, this does not involve investments in non-listed companies but refers only to the use of investment techniques which are common for exposure to unlisted companies. The approach also seeks profitable businesses with high earnings growth rates or growth acceleration, identified through proprietary fundamental and behavioral data. Additionally, it explores opportunities in restructurings, spinoffs, and turnarounds, prioritizing businesses with clear value creation plans and unrealized potential.

The absolute short strategy aims to identify companies that will face a "capital event" i.e. recapitalisation, capital restructuring or liquidation.

- Merger Arbitrage

The management team focuses exclusively on mergers/acquisitions and capital restructuring positions. This strategy reduces the portfolio's correlation to indices and provides additional return to the Sub-fund, particularly in the event of bear markets.

Using a dedicated information system, the team detects in real time any new deals announced worldwide and focuses only on those with the most favourable risk/return profile.

- Macro hedging

A major economic crisis can drag any risky asset into a downturn that is difficult to remedy. The management Company relies on instruments with an asymmetric risk/return profile, such as options, in order to protect the portfolio against such eventualities. Macro hedging strategies provide protection in the event of a negative scenario without reducing the portfolio's degree of exposure to the markets.

- **Equity**

The strategy is based on active stock selection directly or indirectly (including American Depositary Receipts (ADR) and/or Global Depositary Receipts (GDR) up to 10% of the net assets of the Sub-Fund). The fundamental approach and the medium-term valuation potential are key elements in stock selection.

However, when active stock picking criteria cannot be met, the manager may take additional exposure to money market or rate instruments via derivatives as part of its investment strategy.

- **Fixed income**

The manager chooses to position in rate products according to its expectations on the yield curve. Investments may be made in Treasury securities, fixed-rate or floating-rate sovereign wealth funds (*fonds d'Etat*), negotiable Treasury bonds, bonds on the secondary or primary market, in the form of government bonds or private bonds.

- **Shares or units of UCITS, UCIs or eligible investment funds governed by foreign law**

The portion invested in shares or units of UCITS, UCIs and eligible investment funds represents between 0% and 10% of the Sub-Fund's assets.

- **Financial contracts**

In particular, total return swaps may be used to generate investment returns, to hedge other investments or to comply with regulations through the hereafter listed underlyings: equity, forex, interest rates, credit and commodity (e.g. exchange traded commodity or eligible commodity indices). The notional amount of such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the notional amount of such total return swap will amount to 50% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

The Sub-Fund may also temporarily retain amounts in cash equivalents including investments in money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.

The Sub-Fund may also hold liquid assets on an ancillary basis, in accordance with section 4.1.3 of the Prospectus.

5. Investor profile

The Sub-Fund is dedicated to all types of investors.

The Sub-Fund is intended for investors seeking capital growth. The Sub-Fund is intended as a long-term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund.

The recommended investment period is more than 5 years.

6. Specific risks

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

7. Sustainability Risks Likely Impacts

The portfolio of the Sub-Fund is highly diversified; hence the Management Company believes that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ depending on the nature of each asset class.

Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

In light of the Sub-Fund’s investment strategy and risk profile, the likely impacts of Sustainability Risks on the Sub-Fund’s returns are expected to be low.

8. Global exposure and level of leverage

The global exposure of the Sub-Fund is calculated and monitored under the absolute VaR approach. The global exposure of the Sub-Fund may not exceed 20% of its Net Asset Value, on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.

The level of leverage of the Sub-Fund, based on the "sum of notionals" approach, is generally not expected to exceed 500% of the Net Asset Value. In certain circumstances the leverage of the Sub-Fund may exceed the above level**.**

9. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

10. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is each Valuation Day prior to 11 am CEST. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

For the IT Share Class, each Valuation Day is a Subscription Day. The Cut-Off Time for subscription is each Valuation Day prior to 10:35 am CEST. Subscription applications must be settled by the end of the Subscription Settlement Period, which is three (3) Business Days following the Subscription Day.

11. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is each Valuation Day prior to 11 am CEST. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

For the IT Share Class, each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is each Valuation Day prior to 10:35 am CEST. Redemption applications must be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.

With regards to IT Share Class, the attention of investors is drawn to the fact that orders sent to brokers shall take into account the closing time of Borsa Italiana ATF Fund Market (10:35 am). Consequently, these brokers may apply their own cut-off time, earlier than that mentioned above, in order to take into account their deadline for transmitting orders to Borsa Italiana ATF Fund Market.

12. Share Classes

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each

jurisdiction may be obtained from the Management Company upon request and on www.varennecapital.com.

"A-EUR" and "IT" Share Classes: these Share Classes are for all investors, natural persons and legal entities.

"A-CHF" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"A-USD" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"I-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement.*

"I-CHF" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement* willing to benefit from Currency Hedging at Share Class Level against EUR/CHF currency risk.

"I-USD" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement* willing to benefit from Currency Hedging at Share Class Level against EUR/USD currency risk.

"F-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement* which have entered into (directly or indirectly through a delegate or representative) a distribution agreement or equivalent with the Management Company or any of its affiliates and approved by the Board of Directors.

"P-EUR" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management).

"P-USD" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"P-CHF" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"P-GBP" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/GBP currency risk.

"U-EUR" Share Class: this Share Class is for all investors. Share Class mainly intended for asset managers of Swiss banking groups or to professionals in the field of asset management.

"VCP-EUR" Share Class: this Share Class is reserved for Varenne Capital Partners and its employees, directors, shareholders as well as holding companies they control and employee shareholding funds (FCPE).

Specific details of IT Share Class:

IT Share Class are admitted to Borsa Italiana ATF Fund Market. Investors wishing to acquire or sell these Share Class on Borsa Italiana ATF Fund Market are invited to take note of the operating rules laid down by the relevant market operator, in accordance with local regulations, if applicable with the assistance of their usual intermediaries for placing orders on this listing market.

Buy and sell orders transmitted on Borsa Italiana ATF Fund Market are consolidated and transmitted by 2.30 pm to the Sub-Fund's UCI Administrator (*i.e.* CACEIS Bank, Luxembourg Branch) by a financial intermediary authorised by the Management Company. The orders are then executed on the basis of the next net asset value (price unknown). Settlement is on value date the third following day (D+3). Day trades are not accepted for the IT unit class. Financial intermediary appointed to transmit the buy and sell orders from Borsa Italiana ATF Fund Market to the establishment in charge of centralising orders is:

EQUITA SIM
Via Turati, 9 20121 Milan – Italy

In the event of a change in functioning rules of Borsa Italiana ATF Fund Market, the procedures for placing buy and sell orders on the IT Share Class will be adapted accordingly.

13. Distribution policy

Shares are generally issued as Capitalisation Shares. Distribution Shares will only be issued within the Sub-Fund at the Board of Directors' discretion. Investors may enquire at the Management Company whether any Distribution Shares are available within each Share Class.

Net income and net realised capital gains are capitalised for each Share Class of the Sub-Fund Eligible Investors.

14. Performance Fee

The Sub-Fund employs a high-on-high model according to the ESMA Guidelines on Performance Fee, whereby the Performance Fee, applicable to a given category of Share Class is based on the comparison between the Sub-Fund's assets and the reference assets.

The Performance Fee is calculated on the basis of the difference between the performance of the Net Asset Value per Share of the relevant Share Class and the reference assets, being the higher between (i) the High Water Mark (as defined below), and (ii) the Net Asset Value per Share as of the first Business Day of the relevant calendar year (the "**Calculation Period**")

adjusted by the performance of Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months – floored at 0) (the "**Hurdle**"), by recording the same movements in subscriptions and redemptions as the Sub-Fund, such as:

- in the event of subscriptions: any provision for Performance Fee is adjusted proportionally;
- in the event of redemptions: as the case may be, any Performance Fee provision on the Share Classes concerned is definitively acquired by the Management Company.

If during the observation period the Net Asset Value (before deduction of the Performance Fee) is higher than that of the reference asset defined above, the Performance Fee will not exceed 14.95% (the "**Performance Fee Rate**") of the difference between these two assets. The Performance Fee Rate is a maximum that can be reduced at the discretion of the Management Company, taking into account, among others, the level of interest rates. In that case, such reduction will be decided before the beginning of the fiscal year and disclosed via the Management Company's website and will be included in the Annual Report and Semi-Annual Reports as well as in the monthly factsheets. The effective level of Performance Fee will be disclosed in the Annual Report and the Semi-Annual Report.

In the event of outperformance, a provision is made for the Performance Fee at each determination of the Net Asset Value.

In the event of underperformance, the provision account is readjusted by a reversal of the provision, capped at the level of the existing allocation.

The "**Performance Period**" for the calculation of the Performance Fee is the last five (5) years (calculated on a rolling basis).

In respect of each Share Class and according to the high-on-high model defined in the ESMA Guidelines on Performance Fee, the "**High Water Mark**" is (i) the initial Net Asset Value per Share of the relevant Share Class until a Performance Fee is crystallized on an End of Year Date, and thereafter (ii) the highest Net Asset Value per Share as of any End of Year Date on which a Performance Fee has been crystallized and paid during the Performance Period.

If no Performance Fee has been paid during a Performance Period, the Management Company has the possibility to reset the applicable High Water Mark to the highest Net Asset Value per Share on any End of Year Date during the relevant Performance Period (the "**Reset of the High Water Mark**"). If such value is higher than the High Water Mark applicable at the end of the relevant Performance Period, the Management Company will not apply the Reset of the High Water Mark and the High Water Mark will remain unchanged until the next End of Year Date on which the Management Company may assess the reset of the High Water Mark in respect of the relevant Performance Period.

Please refer to Years 7 and 8 of Example 4 below for an example of the application of the Reset of the High Water Mark.

By using two different reference assets (i.e. the High Water Mark or the Hurdle), and calculating the Performance Fee on the basis of the highest between them, the Management Company ensures that the Performance Fee is only crystallized if the Net Asset Value exceeds the Hurdle over the relevant Calculation Period and upon absolute performance of the Net Asset Value during the Performance Period.

The Performance Fee, if any, is charged annually and only on Share Classes that have been active over the full year.

The crystallization frequency is yearly and the crystallization date happens on the last Net Asset Value date of the year, subject to a minimum period of twelve months (the "**End of Year Date**").

The Euro Short Term Rate (€STR) index is calculated as a weighted average of all day-to-day unsecured loan transactions carried out by the most active banking institutions in the eurozone. It is calculated by the European Central Bank and disseminated by the Banking Federation of the European Union. For the purpose of calculating the Performance Fee, it is considered as a "cash benchmark", floored to 0 and is equivalent to a hurdle rate. It is available on the website https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html

Performance Fee calculation for the Sub-Fund:

Example 1

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 110
- HWM = High Water Mark: 105
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 14.95%
- OS = Outstanding number of shares: 1 000 000

The Sub-Fund performance (FP) is of 10% = ((B-A)/A)*100 = ((110–100)/100)*100

In order for the payment of the Performance Fee to become due, both conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 110 - 105 = 5

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =10% - 3.5% = 6.5%

- As both conditions are met, a Performance Fee is due (if only one were met, no Performance Fee would be due). The Performance Fee is calculated on the basis of the higher of a) the HWM (105) and b) the Hurdle, i.e. A*(1+Hurdle)(103.5). Outperformance (OP) in this case is therefore B-HWM =110-105= 5.

- Total Performance Fee: PFR*OS*OP = 14.95%*1.000.000*5

- Performance Fee per share = 14,95%*5

- The High Water Mark for the next year is now 110

Example 2

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 105
- HWM = High Water Mark: 108
- Hurdle = 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 14.95%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 5% = ((B-A)/A)*100 = ((105–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is not superior to the HWM:

  B-HWM = 105 - 108 = -3

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle = 5% - 3.5% = 1.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 108.

Example 3

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 103
- HWM = High Water Mark: 102
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 14.95%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 3% = ((B-A)/A)*100 = ((103–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 103 - 102 = 1

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is not superior to the Performance of the Hurdle

  FP – Hurdle =3% - 3.5% = - 0.5%

- As all conditions are not met, a Performance Fee is not due.
- The High Water Mark for the next year is still 102.

Example 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Share price at start of year	100 €	105.20 €	111.83 €	116.30 €	102.34 €	107.46 €	103.16 €	101.10 €	103.12 €	111.68 €	117.94 €
Share price at end of year	**105.20 €**	**111.83 €**	**116.30 €**	**102.34 €**	**107.46 €**	**103.16 €**	**101.10 €**	**103.12 €**	**111.68 €**	**117.94 €**	**120.00 €**
Performance	5.20%	6.30%	4.00%	-12.00%	5.00%	-4.00%	-2.00%	2.00%	8.30%	5.61%	1.75%
High Water Mark (HWM)	100.00 €	100.00 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	107.46 €	111.68 €	117.94 €
Share price at end of year over HWM	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes
Hurdle (1)	6.10%	5.70%	6.40%	6.30%	6.70%	5.80%	6.20%	5.90%	3.80%	5.40%	-1.00%
Performance of the Sub-Fund vs Hurdle	-0.90%	0.60%	-2.40%	-18.30%	-1.70%	-9.80%	-8.20%	-3.90%	4.50%	0.21%	1.75%
Share price at start of year adjusted of Hurdle	N/A	111.20 €	N/A	N/A	N/A	N/A	N/A	N/A	107.04 €	117.71 €	117.94 €
Performance Fee due	No	**Yes**	No (4)	No	No	No	No	No	**Yes**	**Yes**	**Yes (8)**
Reference Asset (2)	N/A	Hurdle (3)	N/A	N/A	N/A	N/A	N/A	N/A	HWM (7)	Hurdle	HWM
Reset of the HWM	No	Yes	No	No	No	No	No (5)	Yes(6)	Yes	Yes	Yes

(1) Hurdle is capitalized Euro Short Term Rate (€STR) (average over 12 rolling months).

(2) Reference Asset refers to calculate the Performance fees being the Higher between the HWM and the share price at start of year adjusted of the Hurdle.

(3) When both conditions are met, a Performance Fee is due, and the reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 111.20€, and the HWM is equal to 100€, the performance fee will be calculated in reference to the Hurdle. The Performance Fee Rate (14.95%) is applied between the Share price at the end of year and the Reference Asset (111.83-111.20= 0.63).

(4) In order for the payment of the Performance Fee to become due, the two conditions have to be filled, in that case, share price at the end of the year is above the HWM but under the Hurdle. All conditions are not met, performance fee is not due.

(5) Despite the absence of crystallisation of Performance Fee during the Performance Period, the HWM will not be reset as the highest share price at end of year (116.30€) during the Performance Period is higher than the previous HWM (111.83 €).

(6) In the absence of crystallisation of Performance Fee during the Performance Period, the HWM is reset. As the highest share price at the end of year (107.46€) during the Performance Period is lower than the previous HWM (111.83€), the Reset of the HWM is applied and the HWM is set at EUR 107.46 € as from Year 9.

(7) The reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 107.04€, and the HWM is equal to 107.46€, the performance fee will be calculated in reference to the HWM. The Performance Fee Rate (14.95%) is applied between the Share price at the end of year and the Reference Asset (111.68-107.46= 4.22).

(8) For this year, the Hurdle should have been -1% considering the value of Euro Short Term Rate (€STR) (average over 12 rolling months), but as the Hurdle is floored at 0%, the value will be 0% setting the performance of the Sub-Fund over the Hurdle to 1.75% instead of 2.75%. As both conditions are met, Performance Fee is due with reference to the HWM.

Table 1: Share Classes of Varenne Valeur

Share Class Name	A - EUR	A - CHF	A - USD	F - EUR	I - EUR	I – CHF	I - USD	IT	P – EUR	P - USD	P - GBP	P - CHF	U - EUR	VCP - EUR
Share Class Reference Currency	EUR	CHF	USD	EUR	EUR	CHF	USD	EUR	EUR	USD	GBP	CHF	EUR	EUR
Distribution (D) or Capitalisation (C)	**C**	**C**	**C**	**C**	**C**	**C**	**C**	**C**	**C**	**C**	**C**	**C**	**C**	**C**
Currency Hedged Share Class	NO	YES	YES	NO	NO	YES	YES	NO	NO	YES	YES	YES	NO	NO
Minimum Subscription	1 share	1 share	1 share	5 000 000 EUR	3 000 000 EUR	3 000 000 CHF	3 000 000 USD	1 share	1 share	1 share	1 share	1 share	1 share	1 share
Minimum Additional Subscription	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share
Maximum Subscription Fee	2%	2%	2%	5%	2%	2%	2%	N/A	2%	2%	2%	2%	2%	2%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee (max) of the NAV	1.794%	1.794%	1.794%	1.10%	1.10%	1,10%	1.10%	1.794%	1.20%	1.20%	1.20%	1.20%	1.95%	0.25%
Administrative Fee (max) of the NAV	0.20%	0.20%	0.20%	0.20%	0.20%	0,20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%

Performance Fee	Max. 14.95%, (after tax) of the positive return of each Sub-Fund Share Class over and above the reference assets described above (Section 14 – Performance Fee)													N/A
Taxe d'abonnement	0.05%	0.05%	0.05%	0.01%	0.01%	0,01%	0.01%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%

APPENDIX TO SUPPLEMENT 2 – VARENNE VALEUR

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Product name: Varenne Valeur (the "**Sub-Fund**") **Legal entity identifier:** 254900J6YMNBOZH9XH45

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
It will make a minimum of **sustainable investments with an environmental objective:** ___%	It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The Management Company systematically integrates its Environmental, Social, and Governance (ESG) policy within its Core Long Equity Framework, which serves as a cornerstone of the firm's investment strategy by generating a proprietary ESG scores through a review of 40 factors, an analysis of environmental, social and governance factors, alongside conventional financial analysis. The Core Long Equity Framework strategy represents more than 50% of the assets of the Sub Fund.

In addition, the Sub-Fund will apply on the Core Long Equity Framework the exclusion policy as described on the Management Company's website[3] which provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's data provider.

Finally, the Management Company will engage with companies held in the Sub-Fund that have a bottom quintile ESG to promote positive change in their ESG disclosures and/or ESG practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund, but for the purposes of comparison, the Management Company considers the investment universe.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators of the Sub-Fund for the Core Long Equity Framework are:

- The weighted average ESG score of the Sub-Fund and of the investment universe.
- The number of holdings in the Sub-Fund found to be in breach of the UN Global Compact principles (as covered and addressed by the Sub-Fund's data provider).
- The number of holdings in the Sub-Fund with which the Management Company has a formal engagement plan.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

[3] www.varennecapital.com

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, many adverse impacts that the Management Company considers to be material are interwoven into the core investment process for consideration, where possible and feasible. The Management Company has integrated into its processes procedures for considering these impacts through a combination of ESG-based exclusion, integration and engagement (as relevant). The sustainability factors that are considered are closely aligned in most cases with certain indicators for adverse impacts such as GHG

emissions, GHG intensity, exposure to companies in the fossil fuel sector, violations of the UN Global Compact, and board gender diversity.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Management Company has determined a list of ESG factors that are considered material to the companies in which the Sub-funds might invest. The weight that is placed on these factors and the manner in which the Management Company takes into consideration the risks and opportunities from these ESG factors varies by sectors/industries and impacts the internal scoring definitions scale (1 worst– 5 best) that is consistently used to assign internal ESG scores. The aggregate ESG scores are the weighted average of the E, S and G scores for the securities, utilizing weights that can vary by sector/industry.

Internal ESG scores and other relevant criteria are reviewed at least annually, and the Sub-Fund's investment holdings on theCore Long Equity Framework is reviewed before investment for compliance with the Sub-Fund's ESG criteria. As such, this dedicated ESG analysis module is an integral part of the pre-investment analysis process: for a given company, an ESG score is given on a scale (1 worst– 5 best); if the ESG score is less than 3, then the company is not eligible for investment, no matter how strong the other analysis modules may be.

Below are the key environmental, social and governance factors that the investment team considers material to its internal ESG Scores.

E factors	S factors	G factors
- Carbon emissions - Energy and Water Management Opportunities - Waste & Hazardous Material Management - Biodiversity Impact.	- Employee Health & Safety - Employee Engagement, Diversity, and Inclusion - Human Rights & Community Relations	- Corporate Governance - Business Ethics - Tax Transparency - Regulatory Risk

Also, this Sub-Fund applies an exclusion policy that provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's provider.

In addition, the Management Company considers it essential to be an active investor on behalf of the funds it manages and to participate in the consideration of environmental, social and governance issues through an appropriate voting policy.

The Management Company will engage with companies in the bottom quintile of the Sub-Fund to improve ESG disclosure and/or improve ESG practices. Engagement is integral to our fundamental research process, providing a framework for dialogue to actively support, influence or change ESG practices that may have a material impact on a company's ability to preserve or grow its economic value. In addition, the Management Company participates in a pooled engagement action. This allows the company to be part of a more global and broader approach and push for governance improvements in a wider universe than just the companies present in the Sub-Fund.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There are 4 components to the binding criteria utilized to select the investments in the Sub-Fund, which are:

- To ensure the promotion of both environmental and social characteristics as well as good governance, the Sub-Fund's portfolio-level aggregate ESG score will be better than the Sub-Fund's (average score) investment universe,
- Any target company must have an internal ESG score equal or higher than 3.
- No invested securities will be in breach of the UN Global Compact principles (as covered and addressed by our provider).
- There will be a formal engagement plan for each security held in the Sub-Fund that has a bottom quintile ESG score.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

This Sub-Fund provides that investee companies follow good governance practices by ensuring that companies in the Sub-Fund are in compliance to the United Nations Global Compact (as covered and assessed by our provider); by engaging with companies in the bottom quintile of the Sub-Fund in order to improve ESG disclosure and/or improve ESG practices. The analysis of the

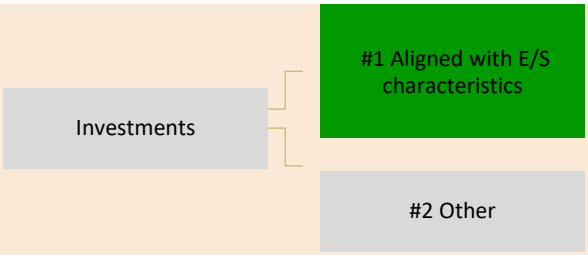
company prior to investment and throughout the holding period includes consideration of, but not limited to, management structure, employee relations, remuneration and tax compliance.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Sub-Fund will invest a minimum of 50% of its assets in securities aligned with the Environmental and Social characteristics (#1) promoted by the Sub-Fund. The remaining will be constituted by the other strategies of the Sub-Fund such as short equity, financial contracts, cash or cash equivalents.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[4]?

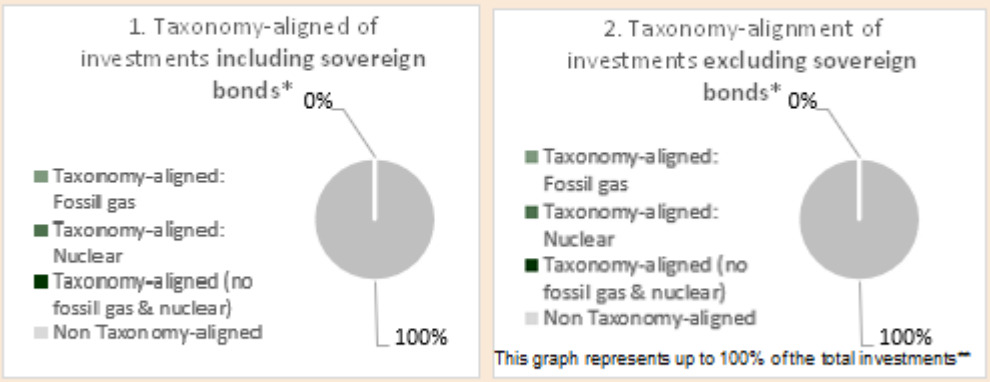
nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

*** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The Sub-Fund does not commit to making any sustainable investments. As a consequence, the sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Other investments include the other strategies of the Sub-Fund such as Special Situations, Financial contracts, cash, or cash equivalents. As such, they do not follow any minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.varennecapital.com/en/documents-esg

SUPPLEMENT 3 – VARENNE CONVICTION

1. Launch date

The Sub-Fund was launched on or around December 15th, 2023.

2. Reference Currency

The Reference Currency of the Sub-Fund is Euro.

3. Investment objective

The objective of the Sub-Fund is to seek an annualised performance in excess of the Index MSCI World Net Total Return (USD) converted in Euro over the recommended investment period, by relying on discretionary management.

The management is disconnected from any benchmark indicator.

4. Investment policy and specific restrictions

The Sub-Fund is actively managed and references the MSCI World Net Total Return (USD) converted in Euro for comparison purposes and for Performance Fee calculation purposes.

The Sub-Fund promotes environmental and social characteristics according to article 8 of the SFDR. Information relating to the environmental and social characteristics of this Sub-Fund is available in the Appendix to Supplement 3 – Varenne Conviction below.

The Sub-Fund may invest in the following financial assets from any geographical and sectoral area:

- **Equities**

Exposure to equities or other securities giving access to the capital of issuers (including American Depositary Receipts (ADR) and/or Global Depositary Receipts (GDR) up to 10% of the net assets of the Sub-Fund) may vary between 0% and 200% of the net assets of the Sub-Fund.

The investment strategy is based on the active selection of long only positions. The strategy applies techniques from the unlisted sector to build a relatively concentrated portfolio of companies presenting both a sustainable competitive advantage and a strong discount on purchase. For the avoidance of any doubt, this does not involve investments in non-listed companies, but refers only to the use of investment techniques which are common for exposure to unlisted companies. After excluding the riskiest sectors from listing, such as those with high technological risk, financial or cyclical companies, the management team will carry out weekly fundamental and behavioural screenings on its proprietary databases.

Investment opportunities will be selected on a discretionary basis without restriction as to size (small, medium or large capitalisations), sector or geographical location and may be realised in directly held securities, through the use of equity swaps, "Contract For Difference" (CFD) or derivatives (e.g. options, futures, forwards) issued on regulated markets and/or by counterparties selected and authorised by the Management Company.

- **Shares or units of UCITS, UCIs or eligible investment funds governed by foreign law**

The portion invested in shares or units of UCITS, UCIs and eligible investment funds represents between 0% and 10% of the Sub-Fund's assets.

The selected UCITS, UCIs and foreign investment funds may be managed by the Management Company or any external company.

- **Financial contracts**

Exposure to financial contracts may vary between 0% and 200% of the Sub-Fund's net assets.

For hedging and/or exposure purposes, the Management Company may use futures, forward, swap and/or currency exchange instruments traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be achieved through long or short positions on underlying assets that are correlated or uncorrelated with the assets making up the portfolio (equities) or on equity indices. These instruments will also be used for exposure and/or hedging purposes vis-à-vis foreign exchange markets, on a totally discretionary basis, according to the management team's expectations.

The Sub-Fund may use financial derivative instruments including OTC derivatives for hedging and investment purposes.

In particular, total return swaps may be used to generate investment returns, to hedge other investments or to comply with regulations through the hereafter listed underlyings: equity, forex~~)~~. The notional amount of such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund.

Under normal circumstances, it is generally expected that the notional amount of such total return swap will amount to 50% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

The Sub-Fund may also temporarily retain amounts in cash equivalents including investments in money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.

The Sub-Fund may also hold liquid assets on an ancillary basis, in accordance with section 4.1.3 of the Prospectus.

5. Investor profile

The Sub-Fund is dedicated to all types of investors.

The Sub-Fund is intended for investors seeking capital growth. The Sub-Fund is intended as a long-term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk

tolerance and investment horizon before investing in the Sub-Fund. The recommended investment period is more than 5 years.

6. Specific risks

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

7. Sustainability Risks Likely Impacts

The portfolio of the Sub-Fund is highly diversified; hence the Management Company believes that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ depending on the nature of each asset class.

Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

In light of the Sub-Fund's investment strategy and risk profile, the likely impacts of Sustainability Risks on the Sub-Fund's returns are expected to be low.

8. Global exposure and level of leverage

The global exposure of the Sub-Fund is calculated and monitored under the absolute VaR approach. The global exposure of the Sub-Fund may not exceed 20% of its Net Asset Value, on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.

The level of leverage of the Sub-Fund, based on the "sum of notionals" approach, is generally not expected to exceed 500% of the Net Asset Value. In certain circumstances the leverage of the Sub-Fund may exceed the above level**.**

9. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

10. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is each Valuation Day prior to 11 am CEST. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

11. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is each Valuation Day prior to 11 am CEST. Redemption applications will normally be settled by

the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

12. Share Classes

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.varennecapital.com.

"A-EUR" Share Class: this Share Class is for all investors, natural persons and legal entities.

"A-USD" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"A-CHF" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"I-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement.*

"I-USD" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"I-CHF" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"P-EUR" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management).

"P-USD" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"P-CHF" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"VCP-EUR" Share Class: this Share Class is reserved for Varenne Capital Partners and its employees, directors, shareholders as well as holding companies they control and employee shareholding funds (FCPE).

13. Distribution policy

Shares are generally issued as Capitalisation Shares. Distribution Shares will only be issued within the Sub-Fund at the Board of Directors' discretion. Investors may enquire at the Management Company whether any Distribution Shares are available within each Share Class.

Net income and net realised capital gains are capitalised for each Share Class of the Sub-Fund Eligible Investors.

14. Performance Fee

The Sub-Fund employs a high-on-high model according to the ESMA Guidelines on Performance Fee, whereby the Performance Fee, applicable to a given category of Share Class is based on the comparison between the Sub-Fund's assets and the reference assets.

The Performance Fee is calculated on the basis of the difference between the performance of the Net Asset Value per Share of the relevant Share Class and the reference assets, being the higher between (i) the High Water Mark (as defined below), and (ii) the Net Asset Value per Share as of the first Business Day of the relevant calendar year (the "**Calculation Period**") adjusted by the performance of the MSCI World Net Total Return (USD) converted in Euro (floored at 0) (the "**Hurdle**"), by recording the same movements in subscriptions and redemptions as the Sub-Fund, such as:

- in the event of subscriptions: any provision for Performance Fee is adjusted proportionally;
- in the event of redemptions: as the case may be, any Performance Fee provision on the Share Classes concerned is definitively acquired by the Management Company.

If during the observation period the Net Asset Value (before deduction of the Performance Fee) is higher than that of the reference asset defined above, the Performance Fee will not exceed 20% (the "**Performance Fee Rate**") of the difference between these two assets. The Performance Fee Rate is a maximum that can be reduced at the discretion of the Management Company, taking into account, among others, the level of interest rates. In that case, such reduction will be decided before the beginning of the fiscal year and disclosed via the Management Company's website and will be included in the Annual Report and Semi-Annual Reports as well as in the monthly factsheets. The effective level of Performance Fee will be disclosed in the Annual Report and the Semi-Annual Report.

In the event of outperformance, a provision is made for the Performance Fee at each determination of the Net Asset Value.

In the event of underperformance, the provision account is readjusted by a reversal of the provision, capped at the level of the existing allocation.

The "**Performance Period**" for the calculation of the Performance Fee is the last five (5) years (calculated on a rolling basis).

In respect of each Share Class and according to the high-on-high model defined in the ESMA Guidelines on Performance Fee, the "**High Water Mark**" is (i) the initial Net Asset Value per Share of the relevant Share Class until a Performance Fee is crystallized on an End of Year Date, and thereafter (ii) the highest Net Asset Value per Share as of any End of Year Date on which a Performance Fee has been crystallized and paid during the Performance Period.

If no Performance Fee has been paid during a Performance Period, the Management Company has the possibility to reset the applicable High Water Mark to the highest Net Asset Value per Share on any End of Year Date during the relevant Performance Period (the "**Reset of the High Water Mark**"). If such value is higher than the High Water Mark applicable at the end of the relevant Performance Period, the Management Company will not apply the Reset of the High Water Mark and the High Water Mark will remain unchanged until the next End of Year Date on which the Management Company may assess the reset of the High Water Mark in respect of the relevant Performance Period.

Please refer to Years 7 and 8 of Example 4 below for an example of the application of the Reset of the High Water Mark.

By using two different reference assets (i.e. the High Water Mark or the Hurdle), and calculating the Performance Fee on the basis of the highest between them, the Management Company ensures that the Performance Fee is only crystallized if the Net Asset Value exceeds the Hurdle over the relevant Calculation Period and upon absolute performance of the Net Asset Value during the Performance Period.

The Performance Fee, if any, is charged annually and only on Share Classes that have been active over the full year.

The crystallization frequency is yearly and the crystallization date happens on the last NAV date of the year, subject to a minimum period of twelve months (the "**End of Year Date**").

The index MSCI World NTR (USD) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. For the purpose of calculating the Performance Fee, it is floored to 0 and is considered as equivalent to a hurdle rate. The complete construction methodology for the index is available on www.msci.com.

Performance Fee calculation for the Sub-Fund:

Example 1

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 110
- HWM = High Water Mark: 105
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub-Fund performance (FP) is of 10% = ((B-A)/A)*100 = ((110–100)/100)*100

In order for the payment of the Performance Fee to become due, both conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 110 - 105 = 5

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =10% - 3.5% = 6.5%

- As both conditions are met, a Performance Fee is due (if only one were met, no Performance Fee would be due). The Performance Fee is calculated on the basis of the higher of a) the HWM (105) and b) the Hurdle, i.e. A*(1+Hurdle)(103.5). Outperformance (OP) in this case is therefore B-HWM =110-105= 5.

- Total Performance Fee: PFR*OS*OP = 20%*1.000.000*5

- Performance Fee per share = 20%*5

- The High Water Mark for the next year is now 110

Example 2

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 105
- HWM = High Water Mark: 108
- Hurdle = 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 5% = ((B-A)/A)*100 = ((105–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is not superior to the HWM:

  B-HWM = 105 - 108 = -3

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =5% - 3.5% = 1.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 108.

Example 3

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 103
- HWM = High Water Mark: 102
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 3% = ((B-A)/A)*100 = ((103–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 103 - 102 = 1

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is not superior to the Performance of the Hurdle

  FP – Hurdle =3% - 3.5% = - 0.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 102.

Example 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Share price at start of year	100 €	105.20 €	111.83 €	116.30 €	102.34 €	107.46 €	103.16 €	101.10 €	103.12 €	111.68 €	117.94 €
Share price at end of year	**105.20 €**	**111.83 €**	**116.30 €**	**102.34 €**	**107.46 €**	**103.16 €**	**101.10 €**	**103.12 €**	**111.68 €**	**117.94 €**	**120.00 €**
Performance	5.20%	6.30%	4.00%	-12.00%	5.00%	-4.00%	-2.00%	2.00%	8.30%	5.61%	1.75%
High Water Mark (HWM)	100.00 €	100.00 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	107.46 €	111.68 €	117.94 €
Share price at end of year over HWM	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes
Hurdle (1)	6.10%	5.70%	6.40%	6.30%	6.70%	5.80%	6.20%	5.90%	3.80%	5.40%	-1.00%
Performance of the Sub-Fund vs Hurdle	-0.90%	0.60%	-2.40%	-18.30%	-1.70%	-9.80%	-8.20%	-3.90%	4.50%	0.21%	1.75%
Share price at start of year adjusted of Hurdle	N/A	111.20 €	N/A	N/A	N/A	N/A	N/A	N/A	107.04 €	117.71 €	117.94 €
Performance Fee due	No	**Yes**	No (4)	No	No	No	No	No	**Yes**	**Yes**	**Yes (8)**
Reference Asset (2)	N/A	Hurdle (3)	N/A	N/A	N/A	N/A	N/A	N/A	HWM (7)	Hurdle	HWM
Reset of the HWM	No	Yes	No	No	No	No	No (5)	Yes (6)	Yes	Yes	Yes

(1) Hurdle is MSCI World Net Total Return (USD) converted in Euro.

(2) Reference Asset refers to calculate the Performance fees being the Higher between the HWM and the share price at start of year adjusted of the Hurdle.

(3) When both conditions are met, a Performance Fee is due, and the reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 111.20€, and the HWM is equal to 100€, the performance fee will be calculated in reference to the Hurdle. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.83-111.20= 0.63).

(4) In order for the payment of the Performance Fee to become due, the two conditions have to be filled, in that case, share price at the end of the year is above the HWM but under the Hurdle. All conditions are not met, performance fee is not due.

(5) Despite the absence of crystallisation of Performance Fee during the Performance Period, the HWM will not be reset as the highest share price at end of year (116.30€) during the Performance Period is higher than the previous HWM (111.83 €).

(6) In the absence of crystallisation of Performance Fee during the Performance Period, the HWM is reset. As the highest share price at the end of year (107.46€) during the Performance Period is lower than the previous HWM (111.83€), the Reset of the HWM is applied and the HWM is set at EUR 107.46 € as from Year 9.

(7) The reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 107.04€, and the HWM is equal to 107.46€, the performance fee will be calculated in reference to the HWM. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.68-107.46= 4.22).

(8) For this year, the Hurdle should have been -1% considering the value of MSCI World Net Total Return (USD) converted in Euro, but as the Hurdle is floored at 0%, the value will be 0% setting the performance of the Sub-Fund over the Hurdle to 1.75% instead of 2.75%. As both conditions are met, Performance Fee is due with reference to the HWM.

Table 1: Share Classes of VARENNE CONVICTION

Share Class Name	A - EUR	A - USD	A - CHF	I - EUR	I - USD	I - CHF	P - EUR	P - USD	P - CHF	VCP - EUR
Share Class Reference Currency	EUR	USD	CHF	EUR	USD	CHF	EUR	USD	CHF	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C	C	C	C	C
Currency Hedged Share Class	NO	YES	YES	NO	YES	YES	NO	YES	YES	NO
Minimum Subscription	1 share	1 share	1 share	3 000 000 EUR	3 000 000 USD	3 000 000 CHF	1 share	1 share	1 share	1 share
Minimum Additional Subscription	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share
Maximum Subscription Fee	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee (max) of the NAV	1.90%	1.90%	1.90%	0.95%	0.95%	0.95%	1.10%	1.10%	1.10%	0.25%
Administrative Fee: (max)of the NAV	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Performance Fee	Max. 20% (after tax) of the positive return of each Sub-Fund Share Class over and above the reference assets described above (Section 14 – Performance Fee)									N/A
Taxe d'abonnement	0.05%	0.05%	0.05%	0.01%	0.01%	0.01%	0.05%	0.05%	0.05%	0.05%

APPENDIX TO SUPPLEMENT 3 – VARENNE CONVICTION

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Varenne Conviction (the "**Sub-Fund**")

Legal entity identifier: 2549002OYQZQ7896C649

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
It will make a minimum of **sustainable investments with an environmental objective:** __%	It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Management Company systematically integrates its Environmental, Social, and Governance (ESG) policy within its Core Long Equity Framework, which serves as a cornerstone of the firm's investment strategy work by generating a proprietary ESG scores through a review of 40 factors, an analysis of environmental, social and governance factors, alongside conventional financial analysis.

The Core Long Equity Framework represents a minimum of 50% of the assets of the Sub Fund

In addition, the Sub-Fund will apply on the Core Long Equity Framework the exclusion policy as described on the Management Company's website[5] which provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's data provider.

Finally, the Management Company will engage with companies held in the Sub-Fund that have a bottom quintile ESG to promote positive change in their ESG disclosures and/or ESG practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund, but for the purposes of comparison, the Management Company considers the investment universe.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators of the Sub-Fund for the Core Long Equity Framework are:

- The weighted average ESG score of the Sub-Fund and of the investment universe.
- The number of holdings in the Sub-Fund found to be in breach of the UN Global Compact principles (as covered and addressed by the Sub-Fund's data provider).
- The number of holdings in the Sub-Fund with which the Management Company has a formal engagement plan.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

[5] www.varennecapital.com

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

N/A

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, many adverse impacts that the Management Company considers to be material are interwoven into the core investment process for consideration, where possible and feasible. The Management Company has integrated into its processes procedures for considering these impacts through a combination of ESG-based exclusion, integration and engagement (as relevant). The sustainability factors that are considered are closely aligned in most cases with certain indicators for adverse impacts such as GHG emissions, GHG intensity,

exposure to companies in the fossil fuel sector, violations of the UN Global Compact, and board gender diversity.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Management Company has determined a list of ESG factors that are considered material to the companies in which the Sub-funds might invest. The weight that is placed on these factors and the manner in which the Management Company take into consideration the risks and opportunities from these ESG factors varies by sectors/industries and impacts the internal scoring definitions scale (1 worst– 5 best) that is consistently used to assign internal ESG scores. The aggregate ESG scores are the weighted average of the E, S and G scores for the securities, utilizing weights that can vary by sector/industry.

Internal ESG scores and other relevant criteria are reviewed at least annually, and the Sub-Fund's investment holdings on Core Long Equity Framework is reviewed before investment for compliance with the Sub-Fund's ESG criteria. As such, this dedicated ESG analysis module is an integral part of the pre-investment analysis process: for a given company, an ESG score is given on a scale (1 worst– 5 best); if the ESG score is less than 3, then the company is not eligible for investment, no matter how strong the other analysis modules may be.

Below are the key environmental, social and governance factors that the investment team considers material to its internal ESG Scores.

E factors	S factors	G factors
- Carbon emissions - Energy and Water Management Opportunities - Waste & Hazardous Material Management - Biodiversity Impact.	- Employee Health & Safety - Employee Engagement, Diversity, and Inclusion - Human Rights & Community Relations	- Corporate Governance - Business Ethics - Tax Transparency - Regulatory Risk

Also, this Sub-Fund applies an exclusion policy that provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's provider.

In addition, the Management Company considers it essential to be an active investor on behalf of the funds it manages and to participate in the consideration of environmental, social and governance issues through an appropriate voting policy.

The Management Company will engage with companies in the bottom quintile of the Sub-Fund to improve ESG disclosure and/or improve ESG practices. Engagement is integral to our fundamental research process, providing a framework for dialogue to actively support, influence or change ESG practices that may have a material impact on a company's ability to preserve or grow its economic value. In addition, the Management Company participates in a pooled engagement action. This allows the company to be part of a more global and broader approach and push for governance improvements in a wider universe than just the companies present in the Sub-Fund.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There are 4 components to the binding criteria utilized to select the investments in the Sub-Fund, which are:

- To ensure the promotion of both environmental and social characteristics as well as good governance, the Sub-Fund's portfolio-level aggregate ESG score will be better than the Sub-Fund's (average score) investment universe,
- Any target company must have an internal ESG score equal or higher than 3
- No invested securities will be in breach of the UN Global Compact principles (as covered and addressed by our provider).
- There will be a formal engagement plan for each security held in the Sub-Fund that has a bottom quintile ESG score.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

This Sub-Fund provides that investee companies follow good governance practices by ensuring that companies in the Sub-Fund are in compliance to the United Nations Global Compact (as covered and assessed by our provider); by engaging with companies in the bottom quintile of the Sub-Fund in

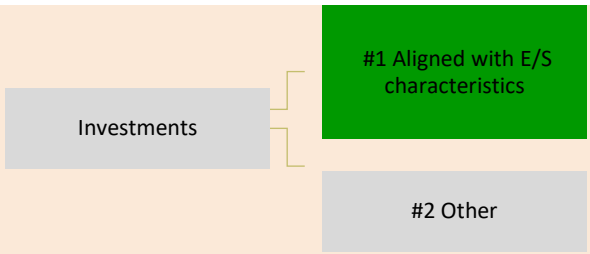
order to improve ESG disclosure and/or improve ESG practices. The analysis of the company prior to investment and throughout the holding period includes consideration of, but not limited to, management structure, employee relations, remuneration and tax compliance.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund will invest a minimum of 50% of its assets in securities aligned with the Environmental and Social characteristics (#1) promoted by the Sub-Fund. The remaining will be constituted by other equities, Financial contracts, cash or cash equivalents.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

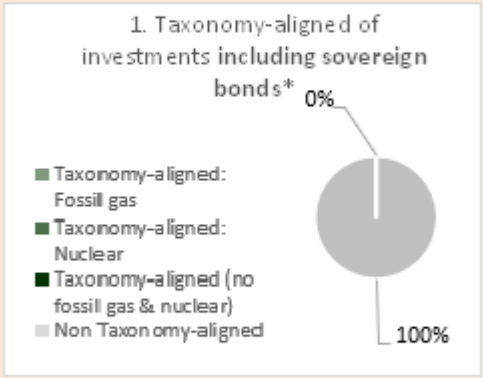
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

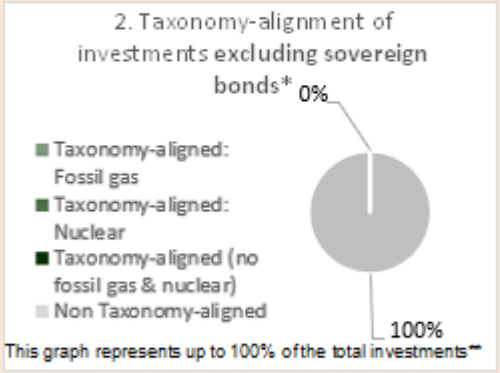
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[6]?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

[6] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

What is the minimum share of socially sustainable investments?

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Other investments include the other strategies of the Sub-Fund such as Special Situations, Financial contracts, cash, or cash equivalents. As such, they do not follow any minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.varennecapital.com/en/documents-es

SUPPLEMENT 4 – VARENNE LONG SHORT

1. Launch date

The Sub-Fund was launched on December 15th, 2023.

2. Reference Currency

The Reference Currency of the Sub-Fund is Euro.

3. Investment objective

The objective of the Sub-Fund is to seek an annualised performance in excess of the Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) over the recommended investment period, by relying on discretionary management.

The management is disconnected from any benchmark indicator.

4. Investment policy and specific restrictions

The Sub-Fund is actively managed and references the Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months) for comparison purposes and for Performance Fee calculation purposes.

The Sub-Fund promotes environmental and social characteristics according to article 8 of the SFDR. Information relating to the environmental and social characteristics of this Sub-Fund is available in the Appendix to Supplement 4 – Varenne Long Short below.

The Sub-Fund seeks to achieve a positive absolute return over the medium term through capital growth by investing primarily in listed equities and equity related securities on both a long and short basis following an active investment strategy. The Sub-Fund will seek to achieve the investment objective through a directional long/short investment strategy. This approach allows the Sub-Fund to invest in, or gain both long and short exposures to, primarily listed and equity-related securities to issuers across from any geographical and sectoral area, using derivatives where necessary.

Under normal circumstances, the Management Company expects the Sub-Fund to take exposure to short positions so that the Sub-Fund's portfolio is expected to be approximately 25% net long, with an average ranging between 0% and 50% net long.

Thus, depending on the state of the market, the Sub-Fund may invest in the following financial assets from any geographical and sectoral area:

- **Equities**

Exposure to equities or other securities giving access to the capital of issuers (including American Depositary Receipts (ADR) and/or Global Depositary Receipts (GDR) up to 10% of the net assets of the Sub-Fund) may vary between 0% and 200% of the net assets of the Sub-Fund.

Investment opportunities likely to achieve the investment objective will be sought on a discretionary basis without restriction as to size (small, medium or large capitalisations), sector or geographical location and may be realised in directly held securities, through the use of Equity Swaps, "Contract For Difference" (CFD) or derivatives (e.g. options, futures, forwards) issued on regulated markets and/or by counterparties selected and authorised by the Management Company. Any short position will be achieved through the use of financial derivative instruments.

- **Debt securities and money market instruments**

Exposure to debt securities and money market instruments may vary between 0% and 20% of the Sub-Fund's net assets.

The Management Company may choose to position itself according to its expectations on investment grade debt securities (rated from AAA to BBB- by the rating agencies, according to the Standard & Poor's scale). In case a security in which the Sub-Fund is invested would be downgraded under BBB- by the rating agencies (according to the Standard & Poor's scale), the Sub-Fund will sell this security in accordance with the best interests of the Shareholders). The Sub-Fund will not invest in distressed or defaulted securities and unrated bonds. Investments may be made in Treasury securities, fixed-rate or floating-rate sovereign wealth funds (*fonds d'Etat*), negotiable Treasury bonds, bonds on the secondary or primary market, in the form of government bonds or private bonds.

The Management Company does not make mechanical use of ratings provided by credit rating agencies and preferably relies on its own credit analysis to assess the credit quality of these assets and in selecting securities at the time of acquisition.

The sensitivity range will be between 0 and 4.

- **Shares or units of UCITS, UCIs or eligible investment funds governed by foreign law**

The portion invested in shares or units of UCITS, UCIs and eligible investment funds represents between 0% and 10% of the Sub-Fund's assets.

The selected UCITS, UCIs and foreign investment funds may be managed by the Management Company or any external company.

- **Financial contracts**

Exposure to financial contracts may vary between 0% and 200% of the Sub-Fund's net assets.

For hedging and/or exposure purposes, the Management Company may use futures, forward, swap and/or currency exchange instruments traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be achieved through long or short positions on underlying assets that are correlated or uncorrelated with the assets making up the portfolio (equities, fixed income) or on equity indices, debt security indices or eligible commodity indices. Hedging may also be carried out within the framework of the Management Company's expectations regarding changes in the direct or inverse correlation between different asset classes such as, for example, the historical correlation between equities and diversified commodity indices. These instruments will also be used for exposure and/or hedging purposes

vis-à-vis foreign exchange markets, on a totally discretionary basis, according to the management team's expectations.

The Sub-Fund may use financial derivative instruments including OTC derivatives for hedging and investment purposes.

In particular, total return swaps may be used to generate investment returns, to hedge other investments or to comply with regulations through the hereafter listed underlyings: equity, forex, interest rates, credit and commodity (e.g. exchange traded commodity or eligible commodity indices). The notional amount of such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the notional amount of such total return swap will amount to 50% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

The Sub-Fund may also temporarily retain amounts in cash equivalents including investments in money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.

The Sub-Fund may also hold liquid assets on an ancillary basis, in accordance with section 4.1.3 of the Prospectus.

5. Investor profile

The Sub-Fund is dedicated to all types of investors.

The Sub-Fund is intended for investors seeking capital growth. The Sub-Fund is intended as a long-term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund.

The recommended investment period is more than 5 years.

6. Specific risks

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

7. Sustainability Risks Likely Impacts

The portfolio of the Sub-Fund is highly diversified; hence the Management Company believes that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ depending on the nature of each asset class.

Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

In light of the Sub-Fund’s investment strategy and risk profile, the likely impacts of Sustainability Risks on the Sub-Fund’s returns are expected to be low.

8. Global exposure and level of leverage

The global exposure of the Sub-Fund is calculated and monitored under the absolute VaR approach. The global exposure of the Sub-Fund may not exceed 20% of its Net Asset Value, on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.

The level of leverage of the Sub-Fund, based on the "sum of notionals" approach, is generally not expected to exceed 500% of the Net Asset Value. In certain circumstances the leverage of the Sub-Fund may exceed the above level**.**

9. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

10. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is each Valuation Day prior to 11 am CEST. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

11. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is each Valuation Day prior to 11 am CEST. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

12. Share Classes

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.varennecapital.com.

"A-EUR" Share Class: this Share Class is for all investors, natural persons and legal entities.

"A-USD" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"A-CHF" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"I-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement.*

"I-USD" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"I-CHF" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"P-EUR" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management).

"P-USD" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"P-CHF" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"VCP-EUR" Share Class: this Share Class is reserved for Varenne Capital Partners and its employees, directors, shareholders as well as holding companies they control and employee shareholding funds (FCPE).

13. Distribution policy

Shares are generally issued as Capitalisation Shares. Distribution Shares will only be issued within the Sub-Fund at the Board of Directors' discretion. Investors may enquire at the Management Company whether any Distribution Shares are available within each Share Class.

Net income and net realised capital gains are capitalised for each Share Class of the Sub-Fund Eligible Investors.

14. Performance Fee

The Sub-Fund employs a high-on-high model according to the ESMA Guidelines on Performance Fee, whereby the Performance Fee, applicable to a given category of Share Class is based on the comparison between the Sub-Fund's assets and the reference assets.

The Performance Fee is calculated on the basis of the difference between the performance of the Net Asset Value per Share of the relevant Share Class and the reference assets, being the

higher between (i) the High Water Mark (as defined below), and (ii) the Net Asset Value per Share as of the first Business Day of the relevant calendar year (the "**Calculation Period**") adjusted by the performance of Capitalised Euro Short Term Rate (€STR) (average over 12 rolling months – floored at 0) (the "**Hurdle**"), by recording the same movements in subscriptions and redemptions as the Sub-Fund, such as:

in the event of subscriptions: any provision for Performance Fee is adjusted proportionally;

in the event of redemptions: as the case may be, any Performance Fee provision on the Share Classes concerned is definitively acquired by the Management Company.

If during the observation period the Net Asset Value (before deduction of the Performance Fee) is higher than that of the reference asset defined above, the Performance Fee will not exceed 20% (the "**Performance Fee Rate**") of the difference between these two assets. The Performance Fee Rate is a maximum that can be reduced at the discretion of the Management Company, taking into account, among others, the level of interest rates. In that case, such reduction will be decided before the beginning of the fiscal year and disclosed via the Management Company's website and will be included in the Annual Report and Semi-Annual Reports as well as in the monthly factsheets. The effective level of Performance Fee will be disclosed in the Annual Report and the Semi-Annual Report.

In the event of outperformance, a provision is made for the Performance Fee at each determination of the Net Asset Value.

In the event of underperformance, the provision account is readjusted by a reversal of the provision, capped at the level of the existing allocation.

The "**Performance Period**" for the calculation of the Performance Fee is the last five (5) years (calculated on a rolling basis).

In respect of each Share Class and according to the high-on-high model defined in the ESMA Guidelines on Performance Fee, the "**High Water Mark**" is (i) the initial Net Asset Value per Share of the relevant Share Class until a Performance Fee is crystallized on an End of Year Date, and thereafter (ii) the highest Net Asset Value per Share as of any End of Year Date on which a Performance Fee has been crystallized and paid during the Performance Period.

If no Performance Fee has been paid during a Performance Period, the Management Company has the possibility to reset the applicable High Water Mark to the highest Net Asset Value per Share on any End of Year Date during the relevant Performance Period (the "**Reset of the High Water Mark**"). If such value is higher than the High Water Mark applicable at the end of the relevant Performance Period, the Management Company will not apply the Reset of the High Water Mark and the High Water Mark will remain unchanged until the next End of Year Date on which the Management Company may assess the reset of the High Water Mark in respect of the relevant Performance Period.

Please refer to Years 7 and 8 of Example 4 below for an example of the application of the Reset of the High Water Mark.

By using two different reference assets (i.e. the High Water Mark or the Hurdle), and calculating the Performance Fee on the basis of the highest between them, the Management Company ensures that the Performance Fee is only crystallized if the Net Asset Value exceeds the

Hurdle over the relevant Calculation Period and upon absolute performance of the Net Asset Value during the Performance Period.

The Performance Fee, if any, is charged annually and only on Share Classes that have been active over the full year.

The crystallization frequency is yearly and the crystallization date happens on the last NAV date of the year, subject to a minimum period of twelve months (the "**End of Year Date**").

The Euro Short Term Rate (€STR) index is calculated as a weighted average of all day-to-day unsecured loan transactions carried out by the most active banking institutions in the eurozone. It is calculated by the European Central Bank and disseminated by the Banking Federation of the European Union. For the purpose of calculating the Performance Fee, it is considered as a "cash benchmark", floored to 0 and is equivalent to a hurdle rate. It is available on the website: https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html.

Performance Fee calculation for the Sub-Fund:

Example 1

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 110
- HWM = High Water Mark: 105
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub-Fund performance (FP) is of 10% = ((B-A)/A)*100 = ((110–100)/100)*100

In order for the payment of the Performance Fee to become due, both conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 110 - 105 = 5

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =10% - 3.5% = 6.5%

- As both conditions are met, a Performance Fee is due (if only one were met, no Performance Fee would be due). The Performance Fee is calculated on the basis of the higher of a) the HWM (105) and b) the Hurdle, i.e. A*(1+Hurdle). Outperformance (OP) in this case is therefore B-HWM =110-105= 5.

- Total Performance Fee: PFR*OS*OP = 20.00%*1.000.000*5

- Performance Fee per share = 20.00%*5

- The High Water Mark for the next year is now 110

Example 2

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 105
- HWM = High Water Mark: 108
- Hurdle = 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 5% = ((B-A)/A)*100 = ((105–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is not superior to the HWM:

  B-HWM = 105 - 108 = -3

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =5% - 3.5% = 1.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 108.

Example 3

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 103
- HWM = High Water Mark: 102
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 3% = ((B-A)/A)*100 = ((103–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 103 - 102 = 1

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is not superior to the Performance of the Hurdle

  FP – Hurdle = 3% - 3.5% = - 0.5%

- As all conditions are not met, a Performance Fee is not due.
- The High Water Mark for the next year is still 102.

Example 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Share price at start of year	100 €	105.20 €	111.83 €	116.30 €	102.34 €	107.46 €	103.16 €	101.10 €	103.12 €	111.68 €	117.94 €
Share price at end of year	**105.20 €**	**111.83 €**	**116.30 €**	**102.34 €**	**107.46 €**	**103.16 €**	**101.10 €**	**103.12 €**	**111.68 €**	**117.94 €**	**120.00 €**
Performance	5.20%	6.30%	4.00%	-12.00%	5.00%	-4.00%	-2.00%	2.00%	8.30%	5.61%	1.75%
High Water Mark (HWM)	100.00 €	100.00 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	107.46 €	111.68 €	117.94 €
Share price at end of year over HWM	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes
Hurdle (1)	6.10%	5.70%	6.40%	6.30%	6.70%	5.80%	6.20%	5.90%	3.80%	5.40%	-1.00%
Performance of the Sub-Fund vs Hurdle	-0.90%	0.60%	-2.40%	-18.30%	-1.70%	-9.80%	-8.20%	-3.90%	4.50%	0.21%	1.75%
Share price at start of year adjusted of Hurdle	N/A	111.20 €	N/A	N/A	N/A	N/A	N/A	N/A	107.04 €	117.71 €	117.94 €
Performance Fee due	No	Yes	No (4)	No	No	No	No	No	Yes	Yes	Yes (8)
Reference Asset (2)	N/A	Hurdle (3)	N/A	N/A	N/A	N/A	N/A	N/A	HWM (7)	Hurdle	HWM
Reset of the HWM	No	Yes	No	No	No	No	No (5)	Yes (6)	Yes	Yes	Yes

(1) Hurdle is capitalized Euro Short Term Rate (€STR) (average over 12 rolling months).

(2) Reference Asset refers to calculate the Performance fees being the Higher between the HWM and the share price at start of year adjusted of the Hurdle.

(3) When both conditions are met, a Performance Fee is due, and the reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 111.20€, and the HWM is equal to 100€, the performance fee will be calculated in reference to the Hurdle. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.83-111.20= 0.63).

(4) In order for the payment of the Performance Fee to become due, the two conditions have to be filled, in that case, share price at the end of the year is above the HWM but under the Hurdle. All conditions are not met, performance fee is not due.

(5) Despite the absence of crystallisation of Performance Fee during the Performance Period, the HWM will not be reset as the highest share price at end of year (116.30€) during the Performance Period is higher than the previous HWM (111.83 €).

(6) In the absence of crystallisation of Performance Fee during the Performance Period, the HWM is reset. As the highest share price at the end of year (107.46€) during the Performance Period is lower than the previous HWM (111.83€), the Reset of the HWM is applied and the HWM is set at EUR 107.46 € as from Year 9.

(7) The reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 107.04€, and the HWM is equal to 107.46€, the performance fee will be calculated in reference to the HWM. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.68-107.46= 4.22).

(8) For this year, the Hurdle should have been -1% considering the value of Euro Short Term Rate (€STR) (average over 12 rolling months), but as the Hurdle is floored at 0%, the value will be 0% setting the performance of the Sub-Fund over the Hurdle to 1.75% instead of 2.75%. As both conditions are met, Performance Fee is due with reference to the HWM.

Table 1: Share Classes of VARENNE LONG SHORT

Share Class Name	A - EUR	A - USD	A - CHF	I - EUR	I - USD	I - CHF	P - EUR	P - USD	P - CHF	VCP - EUR
Share Class Reference Currency	EUR	USD	CHF	EUR	USD	CHF	EUR	USD	CHF	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C	C	C	C	C
Currency Hedged Share Class	NO	YES	YES	NO	YES	YES	NO	YES	YES	NO
Minimum Subscription	1 share	1 share	1 share	3 000 000 EUR	3 000 000 USD	3 000 000 CHF	1 share	1 share	1 share	1 share
Minimum Additional Subscription	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share
Maximum Subscription Fee	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee: (max) of the NAV	1.95%	1.95%	1.95%	1.10%	1.10%	1.10%	1.25%	1.25%	1.25%	0.25%
Administrative Fee: (max) of the NAV	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Performance Fee	Max. 20% (after tax) of the positive return of each Sub-Fund Share Class over and above the reference assets described above (Section 14 - Performance Fee)									N/A
Taxe d'abonnement	0.05%	0.05%	0.05%	0.01%	0.01%	0.01%	0.05%	0.05%	0.05%	0.05%

APPENDIX TO SUPPLEMENT 4 – VARENNE LONG SHORT

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Varenne Long Short (the "**Sub-Fund**")

Legal entity identifier: 254900IXCBNOGRLLDU35

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
It will make a minimum of **sustainable investments with an environmental objective:** __%	It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Management Company integrates its Environmental, Social, and Governance (ESG) policy within its Core Long Equity Framework, which serves as a cornerstone of the firm's investment strategy by generating a proprietary ESG scores through a review of 40 factors, an analysis of environmental, social and governance factors, alongside conventional financial analysis.

The Core Long Equity Framework represents a minimum of 50% of the assets of the Sub Fund

In addition, the Sub-Fund will apply on the Core Long Equity Framework the exclusion policy as described on the Management Company's website[7] which provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's data provider.

Finally, the Management Company will engage with companies held in the Sub-Fund that have a bottom quintile ESG to promote positive change in their ESG disclosures and/or ESG practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund, but for the purposes of comparison, the Management Company considers the investment universe.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators of the Sub-Fund for the Core Long Equity Framework are:

- The weighted average ESG score of the Sub-Fund and of the investment universe.
- The number of holdings in the Sub-Fund found to be in breach of the UN Global Compact principles (as covered and addressed by the Sub-Fund's data provider).
- The number of holdings in the Sub-Fund with which the Management Company has a formal engagement plan.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

[7] www.varennecapital.com

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

N/A

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, many adverse impacts that the Management Company considers to be material are interwoven into the core investment process for consideration, where possible and feasible. The Management Company has integrated into its processes procedures for considering these impacts through a combination of ESG-based exclusion, integration and engagement (as relevant). The sustainability factors that are considered are closely aligned in most cases with certain indicators for adverse impacts such as GHG emissions, GHG intensity,

exposure to companies in the fossil fuel sector, violations of the UN Global Compact, and board gender diversity.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Management Company has determined a list of ESG factors that are considered material to the companies in which the Sub-funds might invest. The weight that is placed on these factors and the manner in which the Management Company take into consideration the risks and opportunities from these ESG factors varies by sectors/industries and impacts the internal scoring definitions scale (1 worst– 5 best) that is consistently used to assign internal ESG scores. The aggregate ESG scores are the weighted average of the E, S and G scores for the securities, utilizing weights that can vary by sector/industry.

Internal ESG scores and other relevant criteria are reviewed at least annually, and the Sub-Fund's investment holdings on Core Long Equity Framework is reviewed before investment for compliance with the Sub-Fund's ESG criteria. As such, this dedicated ESG analysis module is an integral part of the pre-investment analysis process: for a given company, an ESG score is given on a scale (1 worst– 5 best); if the ESG score is less than 3, then the company is not eligible for investment, no matter how strong the other analysis modules may be.

Below are the key environmental, social and governance factors that the investment team considers material to its internal ESG Scores.

E factors	S factors	G factors
- Carbon emissions - Energy and Water Management Opportunities - Waste & Hazardous Material Management - Biodiversity Impact.	- Employee Health & Safety - Employee Engagement, Diversity, and Inclusion - Human Rights & Community Relations	- Corporate Governance - Business Ethics - Tax Transparency - Regulatory Risk

Also, this Sub-Fund applies an exclusion policy that provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's provider.

In addition, the Management Company considers it essential to be an active investor on behalf of the funds it manages and to participate in the consideration of environmental, social and governance issues through an appropriate voting policy.

The Management Company will engage with companies in the bottom quintile of the Sub-Fund to improve ESG disclosure and/or improve ESG practices. Engagement is integral to our fundamental research process, providing a framework for dialogue to actively support, influence or change ESG practices that may have a material impact on a company's ability to preserve or grow its economic value. In addition, the Management Company participates in a pooled engagement action. This allows the company to be part of a more global and broader approach and push for governance improvements in a wider universe than just the companies present in the Sub-Fund.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There are 4 components to the binding criteria utilized to select the investments in the Sub-Fund, which are:

- To ensure the promotion of both environmental and social characteristics as well as good governance, the Sub-Fund's portfolio-level aggregate ESG score will be better than the Sub-Fund's (average score) investment universe,
- Any target company must have an internal ESG score equal or higher than 3
- No invested securities will be in breach of the UN Global Compact principles (as covered and addressed by our provider).
- There will be a formal engagement plan for each security held in the Sub-Fund that has a bottom quintile ESG score.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

This Sub-Fund provides that investee companies follow good governance practices by ensuring that companies in the Sub-Fund are in compliance to the United Nations Global Compact (as covered and assessed by our provider); by engaging with companies in the bottom quintile of the Sub-Fund in order to improve ESG disclosure and/or improve ESG practices. The analysis of the company prior to

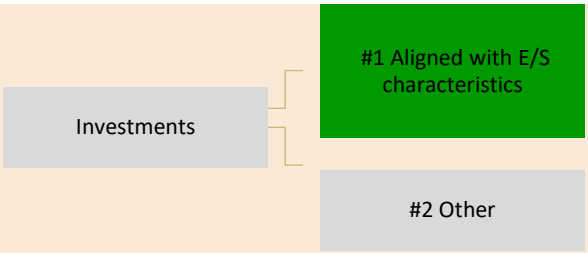
investment and throughout the holding period includes consideration of, but not limited to, management structure, employee relations, remuneration and tax compliance.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund will invest a minimum of 50% of its assets in securities aligned with the Environmental and Social characteristics (#1) promoted by the Sub-Fund. The remaining will be constituted by the other strategies of the Sub-Fund such as Short equity strategy, Financial contracts, cash or cash equivalents.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

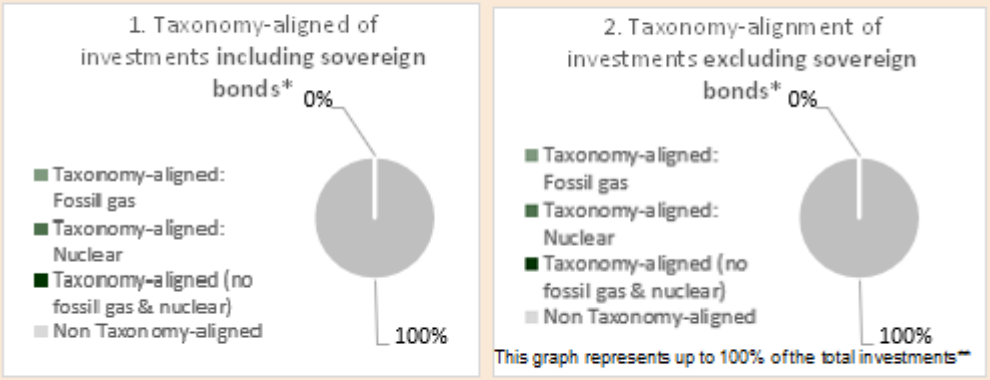
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[8]?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

[8] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

What is the minimum share of socially sustainable investments?

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Other investments include the other strategies of the Sub-Fund such as Special Situations, Financial contracts, cash, or cash equivalents. As such, they do not follow any minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.varennecapital.com/en/documents-esg

SUPPLEMENT 5 – VARENNE CONVICTION EUROPE

1. Launch date

The Sub-Fund will be launched around March 1st, 2025.

2. Reference Currency

The Reference Currency of the Sub-Fund is Euro.

3. Investment objective

The objective of the Sub-Fund is to seek an annualised performance in excess of the Index STOXX Europe 600 NR (EUR) over the recommended investment period, by relying on discretionary management.

The management is disconnected from any benchmark indicator.

4. Investment policy and specific restrictions

The Sub-Fund is actively managed and references the STOXX Europe 600 NR (EUR) for comparison purposes and for Performance Fee calculation purposes.

The Sub-Fund promotes environmental and social characteristics according to article 8 of the SFDR. Information relating to the environmental and social characteristics of this Sub-Fund is available in the Appendix to Supplement 5 – Varenne Conviction Europe below.

The Sub-Fund may invest in:

- **Equities**

Exposure to equities or other securities giving access to the capital of issuers (including American Depositary Receipts (ADR) and/or Global Depositary Receipts (GDR) up to 10% of the net assets of the Sub-Fund) may vary between 0% and 200% of the net assets of the Sub-Fund with a minimum of 75% of the equity exposure allocated to European equities.

To ensure eligibility for the French Plan d'Épargne en Actions (PEA), at least 75% of the Sub-Fund's net assets will be permanently invested in PEA-eligible securities or rights, either directly through shares and eligible securities or indirectly via European UCIs eligible for the PEA.

The investment strategy is based on the active selection of long only positions. The strategy applies techniques from the unlisted sector to build a relatively concentrated portfolio of companies presenting both a sustainable competitive advantage and a strong discount on purchase. For the avoidance of any doubt, this does not involve investments in non-listed companies but refers only to the use of investment techniques which are common for exposure to unlisted companies. After excluding the riskiest sectors from listing, such as those with high technological risk, financial or cyclical companies, the management team will carry out weekly fundamental and behavioural screenings on its proprietary databases.

Investment opportunities will be selected on a discretionary basis without restriction as to size (small, medium or large capitalisations), sector and may be realised in directly held securities, through the use of equity swaps, "Contract For Difference" (CFD) or derivatives (e.g. options, futures, forwards) issued on regulated markets and/or by counterparties selected and authorised by the Management Company.

- **Shares or units of UCITS, UCIs or eligible investment funds governed by foreign law**

The portion invested in shares or units of UCITS, UCIs and eligible investment funds represents between 0% and 10% of the Sub-Fund's assets.

The selected UCITS, UCIs and foreign investment funds may be managed by the Management Company or any external company.

- **Financial contracts**

Exposure to financial contracts may vary between 0% and 200% of the Sub-Fund's net assets.

For hedging and/or exposure purposes, the Management Company may use futures, forward, swap and/or currency exchange instruments traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be achieved through long or short positions on underlying assets that are correlated or uncorrelated with the assets making up the portfolio (equities) or on equity indices. These instruments will also be used for exposure and/or hedging purposes vis-à-vis foreign exchange markets, on a totally discretionary basis, according to the management team's expectations.

The Sub-Fund may use financial derivative instruments including OTC derivatives for hedging and investment purposes.

In particular, total return swaps may be used to generate investment returns, to hedge other investments or to comply with regulations through the hereafter listed underlyings: equity, forex~~)~~. The notional amount of such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund.

Under normal circumstances, it is generally expected that the notional amount of such total return swap will amount to 50% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

The Sub-Fund may also temporarily retain amounts in cash equivalents including investments in money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.

The Sub-Fund may also hold liquid assets on an ancillary basis, in accordance with section 4.1.3 of the Prospectus.

5. Investor profile

The Sub-Fund is dedicated to all types of investors.

The Sub-Fund is intended for investors seeking capital growth. The Sub-Fund is intended as a long-term investment. Investors should consider their own personal circumstances and seek

additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund. The recommended investment period is more than 5 years.

6. Specific risks

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

7. Sustainability Risks Likely Impacts

The portfolio of the Sub-Fund is highly diversified; hence the Management Company believes that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ depending on the nature of each asset class.

Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

In light of the Sub-Fund's investment strategy and risk profile, the likely impacts of Sustainability Risks on the Sub-Fund's returns are expected to be low.

8. Global exposure and level of leverage

The global exposure of the Sub-Fund is calculated and monitored under the absolute VaR approach. The global exposure of the Sub-Fund may not exceed 20% of its Net Asset Value, on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.

The level of leverage of the Sub-Fund, based on the "sum of notionals" approach, is generally not expected to exceed 500% of the Net Asset Value. In certain circumstances the leverage of the Sub-Fund may exceed the above level**.**

9. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

10. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is each Valuation Day prior to 11 am CEST. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

11. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is each Valuation Day prior to 11 am CEST. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

12. Share Classes

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.varennecapital.com.

"A-EUR" Share Class: this Share Class is for all investors, natural persons and legal entities.

"A-USD" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"A-CHF" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"I-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement.*

"I-USD" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"I-CHF" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"P-EUR" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management).

"P-USD" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"P-CHF" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"VCP-EUR" Share Class: this Share Class is reserved for Varenne Capital Partners and its employees, directors, shareholders as well as holding companies they control and employee shareholding funds (FCPE).

13. Distribution policy

Shares are generally issued as Capitalisation Shares. Distribution Shares will only be issued within the Sub-Fund at the Board of Directors' discretion. Investors may enquire at the Management Company whether any Distribution Shares are available within each Share Class.

Net income and net realised capital gains are capitalised for each Share Class of the Sub-Fund Eligible Investors.

14. Performance Fee

The Sub-Fund employs a high-on-high model according to the ESMA Guidelines on Performance Fee, whereby the Performance Fee, applicable to a given category of Share Class is based on the comparison between the Sub-Fund's assets and the reference assets.

The Performance Fee is calculated on the basis of the difference between the performance of the Net Asset Value per Share of the relevant Share Class and the reference assets, being the higher between (i) the High Water Mark (as defined below), and (ii) the Net Asset Value per Share as of the first Business Day of the relevant calendar year (the "**Calculation Period**") adjusted by the performance of the STOXX Europe 600 NR (EUR) (floored at 0) (the "**Hurdle**"), by recording the same movements in subscriptions and redemptions as the Sub-Fund, such as:

- in the event of subscriptions: any provision for Performance Fee is adjusted proportionally;
- in the event of redemptions: as the case may be, any Performance Fee provision on the Share Classes concerned is definitively acquired by the Management Company.

If during the observation period the Net Asset Value (before deduction of the Performance Fee) is higher than that of the reference asset defined above, the Performance Fee will not exceed 20% (the "**Performance Fee Rate**") of the difference between these two assets. The Performance Fee Rate is a maximum that can be reduced at the discretion of the Management Company, taking into account, among others, the level of interest rates. In that case, such reduction will be decided before the beginning of the fiscal year and disclosed via the Management Company's website and will be included in the Annual Report and Semi-Annual Reports as well as in the monthly factsheets. The effective level of Performance Fee will be disclosed in the Annual Report and the Semi-Annual Report.

In the event of outperformance, a provision is made for the Performance Fee at each determination of the Net Asset Value.

In the event of underperformance, the provision account is readjusted by a reversal of the provision, capped at the level of the existing allocation.

The "**Performance Period**" for the calculation of the Performance Fee is the last five (5) years (calculated on a rolling basis).

In respect of each Share Class and according to the high-on-high model defined in the ESMA Guidelines on Performance Fee, the "**High Water Mark**" is (i) the initial Net Asset Value per Share of the relevant Share Class until a Performance Fee is crystallized on an End of Year Date, and thereafter (ii) the highest Net Asset Value per Share as of any End of Year Date on which a Performance Fee has been crystallized and paid during the Performance Period.

If no Performance Fee has been paid during a Performance Period, the Management Company has the possibility to reset the applicable High Water Mark to the highest Net Asset Value per Share on any End of Year Date during the relevant Performance Period (the "**Reset of the High Water Mark**"). If such value is higher than the High Water Mark applicable at the end of the relevant Performance Period, the Management Company will not apply the Reset of the High Water Mark and the High Water Mark will remain unchanged until the next End of Year Date on which the Management Company may assess the reset of the High Water Mark in respect of the relevant Performance Period.

Please refer to Years 7 and 8 of Example 4 below for an example of the application of the Reset of the High Water Mark.

By using two different reference assets (i.e. the High Water Mark or the Hurdle), and calculating the Performance Fee on the basis of the highest between them, the Management Company ensures that the Performance Fee is only crystallized if the Net Asset Value exceeds the Hurdle over the relevant Calculation Period and upon absolute performance of the Net Asset Value during the Performance Period.

The Performance Fee, if any, is charged annually and only on Share Classes that have been active over the full year.

The crystallization frequency is yearly and the crystallization date happens on the last NAV date of the year, subject to a minimum period of twelve months (the "**End of Year Date**").

The index STOXX Europe 600 is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of 600 large, mid, and small-cap companies across 17 European countries. It is designed to provide a comprehensive overview of the European equity market by covering major industry sectors. For the purpose of calculating the Performance Fee, it is floored to 0 and is considered as equivalent to a hurdle rate. The complete construction methodology for the index is available on www.stoxx.com.

Performance Fee calculation for the Sub-Fund:

Example 1

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 110
- HWM = High Water Mark: 105
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub-Fund performance (FP) is of 10% = ((B-A)/A)*100 = ((110–100)/100)*100

In order for the payment of the Performance Fee to become due, both conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 110 - 105 = 5

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =10% - 3.5% = 6.5%

- As both conditions are met, a Performance Fee is due (if only one were met, no Performance Fee would be due). The Performance Fee is calculated on the basis of the higher of a) the HWM (105) and b) the Hurdle, i.e. A*(1+Hurdle)(103.5). Outperformance (OP) in this case is therefore B-HWM =110-105= 5.

- Total Performance Fee: PFR*OS*OP = 20%*1.000.000*5

- Performance Fee per share = 20%*5

- The High Water Mark for the next year is now 110

Example 2

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 105
- HWM = High Water Mark: 108
- Hurdle = 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 5% = ((B-A)/A)*100 = ((105–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is not superior to the HWM:

  B-HWM = 105 - 108 = -3

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =5% - 3.5% = 1.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 108.

Example 3

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 103
- HWM = High Water Mark: 102
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 3% = ((B-A)/A)*100 = ((103–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 103 - 102 = 1

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is not superior to the Performance of the Hurdle

  FP – Hurdle =3% - 3.5% = - 0.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 102.

Example 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Share price at start of year	100 €	105.20 €	111.83 €	116.30 €	102.34 €	107.46 €	103.16 €	101.10 €	103.12 €	111.68 €	117.94 €
Share price at end of year	**105.20 €**	**111.83 €**	**116.30 €**	**102.34 €**	**107.46 €**	**103.16 €**	**101.10 €**	**103.12 €**	**111.68 €**	**117.94 €**	**120.00 €**
Performance	5.20%	6.30%	4.00%	-12.00%	5.00%	-4.00%	-2.00%	2.00%	8.30%	5.61%	1.75%
High Water Mark (HWM)	100.00 €	100.00 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	107.46 €	111.68 €	117.94 €
Share price at end of year over HWM	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes
Hurdle (1)	6.10%	5.70%	6.40%	6.30%	6.70%	5.80%	6.20%	5.90%	3.80%	5.40%	-1.00%
Performance of the Sub-Fund vs Hurdle	-0.90%	0.60%	-2.40%	-18.30%	-1.70%	-9.80%	-8.20%	-3.90%	4.50%	0.21%	1.75%
Share price at start of year adjusted of Hurdle	N/A	111.20 €	N/A	N/A	N/A	N/A	N/A	N/A	107.04 €	117.71 €	117.94 €
Performance Fee due	No	**Yes**	No (4)	No	No	No	No	No	**Yes**	**Yes**	**Yes (8)**
Reference Asset (2)	N/A	Hurdle (3)	N/A	N/A	N/A	N/A	N/A	N/A	HWM (7)	Hurdle	HWM
Reset of the HWM	No	Yes	No	No	No	No	No (5)	Yes (6)	Yes	Yes	Yes

(1) Hurdle is STOXX Europe 600.

(2) Reference Asset refers to calculate the Performance fees being the Higher between the HWM and the share price at start of year adjusted of the Hurdle.

(3) When both conditions are met, a Performance Fee is due, and the reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 111.20€, and the HWM is equal to 100€, the performance fee will be calculated in reference to the Hurdle. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.83-111.20= 0.63).

(4) In order for the payment of the Performance Fee to become due, the two conditions have to be filled, in that case, share price at the end of the year is above the HWM but under the Hurdle. All conditions are not met, performance fee is not due.

(5) Despite the absence of crystallisation of Performance Fee during the Performance Period, the HWM will not be reset as the highest share price at end of year (116.30€) during the Performance Period is higher than the previous HWM (111.83 €).

(6) In the absence of crystallisation of Performance Fee during the Performance Period, the HWM is reset. As the highest share price at the end of year (107.46€) during the Performance Period is lower than the previous HWM (111.83€), the Reset of the HWM is applied and the HWM is set at EUR 107.46 € as from Year 9.

(7) The reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 107.04€, and the HWM is equal to 107.46€, the performance fee will be calculated in reference to the HWM. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.68-107.46= 4.22).

(8) For this year, the Hurdle should have been -1% considering the value of STOXX Europe 600 but as the Hurdle is floored at 0%, the value will be 0% setting the performance of the Sub-Fund over the Hurdle to 1.75% instead of 2.75%. As both conditions are met, Performance Fee is due with reference to the HWM.

Table 1: Share Classes of VARENNE CONVICTION EUROPE

Share Class Name	A - EUR	A - USD	A - CHF	I - EUR	I - USD	I - CHF	P – EUR	P - USD	P - CHF	VCP - EUR
Share Class Reference Currency	EUR	USD	CHF	EUR	USD	CHF	EUR	USD	CHF	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C	C	C	C	C
Currency Hedged Share Class	NO	YES	YES	NO	YES	YES	NO	YES	YES	NO
Minimum Subscription	1 share	1 share	1 share	3 000 000 EUR	3 000 000 USD	3 000 000 CHF	1 share	1 share	1 share	1 share
Minimum Additional Subscription	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share
Maximum Subscription Fee	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee (max) of the NAV	1.90%	1.90%	1.90%	0.95%	0.95%	0.95%	1.10%	1.10%	1.10%	0.25%
Administrative Fee: (max)of the NAV	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Performance Fee	Max. 20% (after tax) of the positive return of each Sub-Fund Share Class over and above the reference assets described above (Section 14 – Performance Fee)									N/A
Taxe d'abonnement	0.05%	0.05%	0.05%	0.01%	0.01%	0.01%	0.05%	0.05%	0.05%	0.05%

APPENDIX TO SUPPLEMENT 5 – VARENNE CONVICTION EUROPE

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Varenne Conviction Europe (the "**Sub-Fund**") **Legal entity identifier:** TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** __%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The Management Company systematically integrates its Environmental, Social, and Governance (ESG) policy within its Core Long Equity Framework, which serves as a cornerstone of the firm's investment strategy work by generating a proprietary ESG scores through a review of 40 factors, an analysis of environmental, social and governance factors, alongside conventional financial analysis.

The Core Long Equity Framework represents a minimum of 50% of the assets of the Sub Fund

In addition, the Sub-Fund will apply on the Core Long Equity Framework the exclusion policy as described on the Management Company's website[9] which provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's data provider.

Finally, the Management Company will engage with companies held in the Sub-Fund that have a bottom quintile ESG to promote positive change in their ESG disclosures and/or ESG practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund, but for the purposes of comparison, the Management Company considers the investment universe.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators of the Sub-Fund for the Core Long Equity Framework are:

- The weighted average ESG score of the Sub-Fund and of the investment universe.
- The number of holdings in the Sub-Fund found to be in breach of the UN Global Compact principles (as covered and addressed by the Sub-Fund's data provider).
- The number of holdings in the Sub-Fund with which the Management Company has a formal engagement plan.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

[9] www.varennecapital.com

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

N/A

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, many adverse impacts that the Management Company considers to be material are interwoven into the core investment process for consideration, where possible and feasible. The Management Company has integrated into its processes procedures for considering these impacts through a combination of ESG-based exclusion, integration and engagement (as relevant). The sustainability factors that are considered are closely aligned in most cases with certain indicators for adverse impacts such as GHG emissions, GHG intensity,

exposure to companies in the fossil fuel sector, violations of the UN Global Compact, and board gender diversity.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Management Company has determined a list of ESG factors that are considered material to the companies in which the Sub-funds might invest. The weight that is placed on these factors and the manner in which the Management Company take into consideration the risks and opportunities from these ESG factors varies by sectors/industries and impacts the internal scoring definitions scale (1 worst– 5 best) that is consistently used to assign internal ESG scores. The aggregate ESG scores are the weighted average of the E, S and G scores for the securities, utilizing weights that can vary by sector/industry.

Internal ESG scores and other relevant criteria are reviewed at least annually, and the Sub-Fund's investment holdings on Core Long Equity Framework is reviewed before investment for compliance with the Sub-Fund's ESG criteria. As such, this dedicated ESG analysis module is an integral part of the pre-investment analysis process: for a given company, an ESG score is given on a scale (1 worst– 5 best); if the ESG score is less than 3, then the company is not eligible for investment, no matter how strong the other analysis modules may be.

Below are the key environmental, social and governance factors that the investment team considers material to its internal ESG Scores.

E factors	S factors	G factors
- Carbon emissions - Energy and Water Management Opportunities - Waste & Hazardous Material Management - Biodiversity Impact.	- Employee Health & Safety - Employee Engagement, Diversity, and Inclusion - Human Rights & Community Relations	- Corporate Governance - Business Ethics - Tax Transparency - Regulatory Risk

Also, this Sub-Fund applies an exclusion policy that provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's provider.

In addition, the Management Company considers it essential to be an active investor on behalf of the funds it manages and to participate in the consideration of environmental, social and governance issues through an appropriate voting policy.

The Management Company will engage with companies in the bottom quintile of the Sub-Fund to improve ESG disclosure and/or improve ESG practices. Engagement is integral to our fundamental research process, providing a framework for dialogue to actively support, influence or change ESG practices that may have a material impact on a company's ability to preserve or grow its economic value. In addition, the Management Company participates in a pooled engagement action. This allows the company to be part of a more global and broader approach and push for governance improvements in a wider universe than just the companies present in the Sub-Fund.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There are 4 components to the binding criteria utilized to select the investments in the Sub-Fund, which are:

- To ensure the promotion of both environmental and social characteristics as well as good governance, the Sub-Fund's portfolio-level aggregate ESG score will be better than the Sub-Fund's (average score) investment universe,
- Any target company must have an internal ESG score equal or higher than 3
- No invested securities will be in breach of the UN Global Compact principles (as covered and addressed by our provider).
- There will be a formal engagement plan for each security held in the Sub-Fund that has a bottom quintile ESG score.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

This Sub-Fund provides that investee companies follow good governance practices by ensuring that companies in the Sub-Fund are in compliance to the United Nations Global Compact (as covered and assessed by our provider); by engaging with companies in the bottom quintile of the Sub-Fund in order to improve ESG disclosure and/or improve ESG practices. The analysis of the company prior to

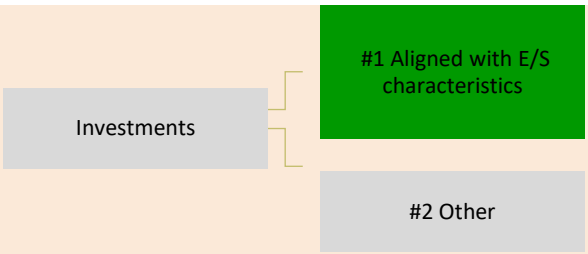
investment and throughout the holding period includes consideration of, but not limited to, management structure, employee relations, remuneration and tax compliance.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund will invest a minimum of 50% of its assets in securities aligned with the Environmental and Social characteristics (#1) promoted by the Sub-Fund. The remaining will be constituted by other equities, Financial contracts, cash or cash equivalents.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

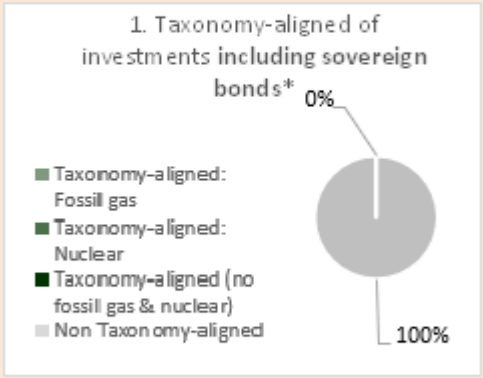
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

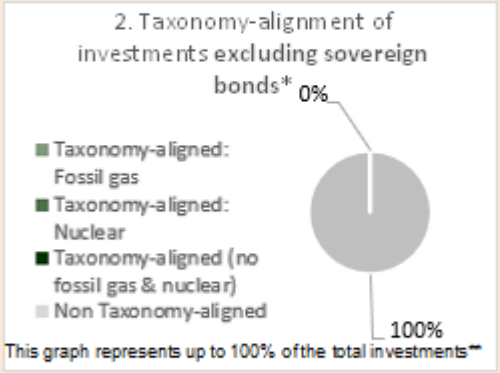
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[10]?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

[10] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

What is the minimum share of socially sustainable investments?

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Other investments include the other strategies of the Sub-Fund such as Special Situations, Financial contracts, cash, or cash equivalents. As such, they do not follow any minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.varennecapital.com/en/documents-esg

SUPPLEMENT 6 – VARENNE CONVICTION US

1. Launch date

The Sub-Fund will be launched around March 1st, 2025.

2. Reference Currency

The Reference Currency of the Sub-Fund is Euro.

3. Investment objective

The objective of the Sub-Fund is to seek an annualised performance in excess of the Index S&P 500 TR (USD) converted in Euro over the recommended investment period, by relying on discretionary management.

The management is disconnected from any benchmark indicator.

4. Investment policy and specific restrictions

The Sub-Fund is actively managed and references the S&P 500 TR (USD) converted in Euro for comparison purposes and for Performance Fee calculation purposes.

The Sub-Fund promotes environmental and social characteristics according to article 8 of the SFDR. Information relating to the environmental and social characteristics of this Sub-Fund is available in the Appendix to Supplement 6 – Varenne Conviction US below.

The Sub-Fund may invest in :

- **Equities**

Exposure to equities or other securities giving access to the capital of issuers (including American Depositary Receipts (ADR) and/or Global Depositary Receipts (GDR) up to 10% of the net assets of the Sub-Fund) may vary between 0% and 200% of the net assets of the Sub-Fund with a minimum of 75% of the equity exposure allocated to US equities.

The investment strategy is based on the active selection of long only positions. The strategy applies techniques from the unlisted sector to build a relatively concentrated portfolio of companies presenting both a sustainable competitive advantage and a strong discount on purchase. For the avoidance of any doubt, this does not involve investments in non-listed companies but refers only to the use of investment techniques which are common for exposure to unlisted companies. After excluding the riskiest sectors from listing, such as those with high technological risk, financial or cyclical companies, the management team will carry out weekly fundamental and behavioural screenings on its proprietary databases.

Investment opportunities will be selected on a discretionary basis without restriction as to size (small, medium or large capitalisations), sector and may be realised in directly held securities, through the use of equity swaps, "Contract For Difference" (CFD) or derivatives (e.g. options, futures, forwards) issued on regulated markets and/or by counterparties selected and authorised by the Management Company.

- **Shares or units of UCITS, UCIs or eligible investment funds governed by foreign law**

The portion invested in shares or units of UCITS, UCIs and eligible investment funds represents between 0% and 10% of the Sub-Fund's assets.

The selected UCITS, UCIs and foreign investment funds may be managed by the Management Company or any external company.

- **Financial contracts**

Exposure to financial contracts may vary between 0% and 200% of the Sub-Fund's net assets.

For hedging and/or exposure purposes, the Management Company may use futures, forward, swap and/or currency exchange instruments traded on regulated, organised or over-the-counter markets. Hedging and/or exposure may be achieved through long or short positions on underlying assets that are correlated or uncorrelated with the assets making up the portfolio (equities) or on equity indices. These instruments will also be used for exposure and/or hedging purposes vis-à-vis foreign exchange markets, on a totally discretionary basis, according to the management team's expectations.

The Sub-Fund may use financial derivative instruments including OTC derivatives for hedging and investment purposes.

In particular, total return swaps may be used to generate investment returns, to hedge other investments or to comply with regulations through the hereafter listed underlyings: equity, forex~~)~~. The notional amount of such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund.

Under normal circumstances, it is generally expected that the notional amount of such total return swap will amount to 50% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

The Sub-Fund may also temporarily retain amounts in cash equivalents including investments in money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.

The Sub-Fund may also hold liquid assets on an ancillary basis, in accordance with section 4.1.3 of the Prospectus.

5. Investor profile

The Sub-Fund is dedicated to all types of investors.

The Sub-Fund is intended for investors seeking capital growth. The Sub-Fund is intended as a long-term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund. The recommended investment period is more than 5 years.

6. Specific risks

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

7. Sustainability Risks Likely Impacts

The portfolio of the Sub-Fund is highly diversified; hence the Management Company believes that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ depending on the nature of each asset class.

Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

In light of the Sub-Fund's investment strategy and risk profile, the likely impacts of Sustainability Risks on the Sub-Fund's returns are expected to be low.

8. Global exposure and level of leverage

The global exposure of the Sub-Fund is calculated and monitored under the absolute VaR approach. The global exposure of the Sub-Fund may not exceed 20% of its Net Asset Value, on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.

The level of leverage of the Sub-Fund, based on the "sum of notionals" approach, is generally not expected to exceed 500% of the Net Asset Value. In certain circumstances the leverage of the Sub-Fund may exceed the above level**.**

9. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

10. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is each Valuation Day prior to 11 am CEST. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

11. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is each Valuation Day prior to 11 am CEST. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

12. Share Classes

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.varennecapital.com.

"A-EUR" Share Class: this Share Class is for all investors, natural persons and legal entities.

"A-USD" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"A-CHF" Share Class: this Share Class is for all investors, willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"I-EUR" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement.*

"I-USD" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"I-CHF" Share Class: this Share Class is available to investors eligible to the reduced *taxe d'abonnement,* willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"P-EUR" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management).

"P-USD" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/USD currency risk.

"P-CHF" Share Class: this Share Class is for all investors. Share Class intended to be used as a support for life insurance contracts in unit of account with insurance companies or to professionals in the field of asset management (collective management or private management) willing to benefit from a Currency Hedging at Share Class Level against EUR/CHF currency risk.

"VCP-EUR" Share Class: this Share Class is reserved for Varenne Capital Partners and its employees, directors, shareholders as well as holding companies they control and employee shareholding funds (FCPE).

13. Distribution policy

Shares are generally issued as Capitalisation Shares. Distribution Shares will only be issued within the Sub-Fund at the Board of Directors' discretion. Investors may enquire at the Management Company whether any Distribution Shares are available within each Share Class.

Net income and net realised capital gains are capitalised for each Share Class of the Sub-Fund Eligible Investors.

14. Performance Fee

The Sub-Fund employs a high-on-high model according to the ESMA Guidelines on Performance Fee, whereby the Performance Fee, applicable to a given category of Share Class is based on the comparison between the Sub-Fund's assets and the reference assets.

The Performance Fee is calculated on the basis of the difference between the performance of the Net Asset Value per Share of the relevant Share Class and the reference assets, being the higher between (i) the High Water Mark (as defined below), and (ii) the Net Asset Value per Share as of the first Business Day of the relevant calendar year (the "**Calculation Period**") adjusted by the performance of the S&P 500 TR (USD) converted in Euro (floored at 0) (the "**Hurdle**"), by recording the same movements in subscriptions and redemptions as the Sub-Fund, such as:

- in the event of subscriptions: any provision for Performance Fee is adjusted proportionally;
- in the event of redemptions: as the case may be, any Performance Fee provision on the Share Classes concerned is definitively acquired by the Management Company.

If during the observation period the Net Asset Value (before deduction of the Performance Fee) is higher than that of the reference asset defined above, the Performance Fee will not exceed 20% (the "**Performance Fee Rate**") of the difference between these two assets. The Performance Fee Rate is a maximum that can be reduced at the discretion of the Management Company, taking into account, among others, the level of interest rates. In that case, such reduction will be decided before the beginning of the fiscal year and disclosed via the Management Company's website and will be included in the Annual Report and Semi-Annual Reports as well as in the monthly factsheets. The effective level of Performance Fee will be disclosed in the Annual Report and the Semi-Annual Report.

In the event of outperformance, a provision is made for the Performance Fee at each determination of the Net Asset Value.

In the event of underperformance, the provision account is readjusted by a reversal of the provision, capped at the level of the existing allocation.

The "**Performance Period**" for the calculation of the Performance Fee is the last five (5) years (calculated on a rolling basis).

In respect of each Share Class and according to the high-on-high model defined in the ESMA Guidelines on Performance Fee, the "**High Water Mark**" is (i) the initial Net Asset Value per Share of the relevant Share Class until a Performance Fee is crystallized on an End of Year Date, and thereafter (ii) the highest Net Asset Value per Share as of any End of Year Date on which a Performance Fee has been crystallized and paid during the Performance Period.

If no Performance Fee has been paid during a Performance Period, the Management Company has the possibility to reset the applicable High Water Mark to the highest Net Asset Value per Share on any End of Year Date during the relevant Performance Period (the "**Reset of the High Water Mark**"). If such value is higher than the High Water Mark applicable at the end of the relevant Performance Period, the Management Company will not apply the Reset of the High Water Mark and the High Water Mark will remain unchanged until the next End of Year Date on which the Management Company may assess the reset of the High Water Mark in respect of the relevant Performance Period.

Please refer to Years 7 and 8 of Example 4 below for an example of the application of the Reset of the High Water Mark.

By using two different reference assets (i.e. the High Water Mark or the Hurdle), and calculating the Performance Fee on the basis of the highest between them, the Management Company ensures that the Performance Fee is only crystallized if the Net Asset Value exceeds the Hurdle over the relevant Calculation Period and upon absolute performance of the Net Asset Value during the Performance Period.

The Performance Fee, if any, is charged annually and only on Share Classes that have been active over the full year.

The crystallization frequency is yearly and the crystallization date happens on the last NAV date of the year, subject to a minimum period of twelve months (the "**End of Year Date**").

The index S&P 500 (USD) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of the 500 leading US companies designed to represent approximately 80% of the investable US equity market . For the purpose of calculating the Performance Fee, it is floored to 0 and is considered as equivalent to a hurdle rate. The complete construction methodology for the index is available on www.spglobal.com.

Performance Fee calculation for the Sub-Fund:

Example 1

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 110
- HWM = High Water Mark: 105
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub-Fund performance (FP) is of 10% = ((B-A)/A)*100 = ((110–100)/100)*100

In order for the payment of the Performance Fee to become due, both conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 110 - 105 = 5

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =10% - 3.5% = 6.5%

- As both conditions are met, a Performance Fee is due (if only one were met, no Performance Fee would be due). The Performance Fee is calculated on the basis of the higher of a) the HWM (105) and b) the Hurdle, i.e. A*(1+Hurdle)(103.5). Outperformance (OP) in this case is therefore B-HWM =110-105= 5.

- Total Performance Fee: PFR*OS*OP = 20%*1.000.000*5

- Performance Fee per share = 20%*5

- The High Water Mark for the next year is now 110

Example 2

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 105
- HWM = High Water Mark: 108
- Hurdle = 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 5% = ((B-A)/A)*100 = ((105–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is not superior to the HWM:

  B-HWM = 105 - 108 = -3

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is superior to the Performance of the Hurdle

  FP – Hurdle =5% - 3.5% = 1.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 108.

Example 3

- A = Share price at start of Calculation Period: 100
- B = Share price at end of Calculation Period: 103
- HWM = High Water Mark: 102
- Hurdle= 3.5% - The Share price at start of Calculation Period adjusted by the Hurdle is therefore 103.5
- PFR = Performance fee rate: 20.00%
- OS = Outstanding number of shares: 1 000 000

The Sub- Fund performance (FP) is of 3% = ((B-A)/A)*100 = ((103–100)/100)*100

In order for the payment of the Performance Fee to become due, all the conditions must be fulfilled:

- ✓ **1st condition:** the Net Asset Value per Share is superior to the HWM:

  B-HWM = 103 - 102 = 1

- ✓ **2nd condition:** the Performance of the Net Asset Value per Share (FP) is not superior to the Performance of the Hurdle

  FP – Hurdle =3% - 3.5% = - 0.5%

- As all conditions are not met, a Performance Fee is not due.

- The High Water Mark for the next year is still 102.

Example 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Share price at start of year	100 €	105.20 €	111.83 €	116.30 €	102.34 €	107.46 €	103.16 €	101.10 €	103.12 €	111.68 €	117.94 €
Share price at end of year	**105.20 €**	**111.83 €**	**116.30 €**	**102.34 €**	**107.46 €**	**103.16 €**	**101.10 €**	**103.12 €**	**111.68 €**	**117.94 €**	**120.00 €**
Performance	5.20%	6.30%	4.00%	-12.00%	5.00%	-4.00%	-2.00%	2.00%	8.30%	5.61%	1.75%
High Water Mark (HWM)	100.00 €	100.00 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	111.83 €	107.46 €	111.68 €	117.94 €
Share price at end of year over HWM	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes
Hurdle (1)	6.10%	5.70%	6.40%	6.30%	6.70%	5.80%	6.20%	5.90%	3.80%	5.40%	-1.00%
Performance of the Sub-Fund vs Hurdle	-0.90%	0.60%	-2.40%	-18.30%	-1.70%	-9.80%	-8.20%	-3.90%	4.50%	0.21%	1.75%
Share price at start of year adjusted of Hurdle	N/A	111.20 €	N/A	N/A	N/A	N/A	N/A	N/A	107.04 €	117.71 €	117.94 €
Performance Fee due	No	**Yes**	No (4)	No	No	No	No	No	**Yes**	**Yes**	**Yes (8)**
Reference Asset (2)	N/A	Hurdle (3)	N/A	N/A	N/A	N/A	N/A	N/A	HWM (7)	Hurdle	HWM
Reset of the HWM	No	Yes	No	No	No	No	No (5)	Yes (6)	Yes	Yes	Yes

(1) Hurdle is S&P 500 (USD) converted in Euro.

(2) Reference Asset refers to calculate the Performance fees being the Higher between the HWM and the share price at start of year adjusted of the Hurdle.

(3) When both conditions are met, a Performance Fee is due, and the reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 111.20€, and the HWM is equal to 100€, the performance fee will be calculated in reference to the Hurdle. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.83-111.20= 0.63).

(4) In order for the payment of the Performance Fee to become due, the two conditions have to be filled, in that case, share price at the end of the year is above the HWM but under the Hurdle. All conditions are not met, performance fee is not due.

(5) Despite the absence of crystallisation of Performance Fee during the Performance Period, the HWM will not be reset as the highest share price at end of year (116.30€) during the Performance Period is higher than the previous HWM (111.83 €).

(6) In the absence of crystallisation of Performance Fee during the Performance Period, the HWM is reset. As the highest share price at the end of year (107.46€) during the Performance Period is lower than the previous HWM (111.83€), the Reset of the HWM is applied and the HWM is set at EUR 107.46 € as from Year 9.

(7) The reference asset is the higher between the share price at start of year adjusted by the Hurdle and the HWM. In this year, the share price at start of year adjusted by the Hurdle is equal to 107.04€, and the HWM is equal to 107.46€, the performance fee will be calculated in reference to the HWM. The Performance Fee Rate (20%) is applied between the Share price at the end of year and the Reference Asset (111.68-107.46= 4.22).

(8) For this year, the Hurdle should have been -1% considering the value of S&P 500 (USD) converted in Euro, but as the Hurdle is floored at 0%, the value will be 0% setting the performance of the Sub-Fund over the Hurdle to 1.75% instead of 2.75%. As both conditions are met, Performance Fee is due with reference to the HWM.

Table 1: Share Classes of VARENNE CONVICTION US

Share Class Name	A - EUR	A - USD	A - CHF	I - EUR	I - USD	I - CHF	P - EUR	P - USD	P - CHF	VCP - EUR
Share Class Reference Currency	EUR	USD	CHF	EUR	USD	CHF	EUR	USD	CHF	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C	C	C	C	C
Currency Hedged Share Class	NO	YES	YES	NO	YES	YES	NO	YES	YES	NO
Minimum Subscription	1 share	1 share	1 share	3 000 000 EUR	3 000 000 USD	3 000 000 CHF	1 share	1 share	1 share	1 share
Minimum Additional Subscription	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share	1 share
Maximum Subscription Fee	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee (max) of the NAV	1.90%	1.90%	1.90%	0.95%	0.95%	0.95%	1.10%	1.10%	1.10%	0.25%
Administrative Fee: (max)of the NAV	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Performance Fee	Max. 20% (after tax) of the positive return of each Sub-Fund Share Class over and above the reference assets described above (Section 14 – Performance Fee)									N/A
Taxe d'abonnement	0.05%	0.05%	0.05%	0.01%	0.01%	0.01%	0.05%	0.05%	0.05%	0.05%

APPENDIX TO SUPPLEMENT 6 – VARENNE CONVICTION US

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Varenne Conviction US (the "**Sub-Fund**") **Legal entity identifier:** TBC

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** __%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Management Company systematically integrates its Environmental, Social, and Governance (ESG) policy within its Core Long Equity Framework, which serves as a cornerstone of the firm's investment strategy work by generating a proprietary ESG scores through a review of 40 factors, an analysis of environmental, social and governance factors, alongside conventional financial analysis.

The Core Long Equity Framework represents a minimum of 50% of the assets of the Sub Fund

In addition, the Sub-Fund will apply on the Core Long Equity Framework the exclusion policy as described on the Management Company's website[11] which provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's data provider.

Finally, the Management Company will engage with companies held in the Sub-Fund that have a bottom quintile ESG to promote positive change in their ESG disclosures and/or ESG practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund, but for the purposes of comparison, the Management Company considers the investment universe.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators of the Sub-Fund for the Core Long Equity Framework are:

- The weighted average ESG score of the Sub-Fund and of the investment universe.
- The number of holdings in the Sub-Fund found to be in breach of the UN Global Compact principles (as covered and addressed by the Sub-Fund's data provider).
- The number of holdings in the Sub-Fund with which the Management Company has a formal engagement plan.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

[11] www.varennecapital.com

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

N/A

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, many adverse impacts that the Management Company considers to be material are interwoven into the core investment process for consideration, where possible and feasible. The Management Company has integrated into its processes procedures for considering these impacts through a combination of ESG-based exclusion, integration and engagement (as relevant). The sustainability factors that are considered are closely aligned in most cases with certain indicators for adverse impacts such as GHG emissions, GHG intensity,

exposure to companies in the fossil fuel sector, violations of the UN Global Compact, and board gender diversity.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Management Company has determined a list of ESG factors that are considered material to the companies in which the Sub-funds might invest. The weight that is placed on these factors and the manner in which the Management Company take into consideration the risks and opportunities from these ESG factors varies by sectors/industries and impacts the internal scoring definitions scale (1 worst– 5 best) that is consistently used to assign internal ESG scores. The aggregate ESG scores are the weighted average of the E, S and G scores for the securities, utilizing weights that can vary by sector/industry.

Internal ESG scores and other relevant criteria are reviewed at least annually, and the Sub-Fund's investment holdings on Core Long Equity Framework is reviewed before investment for compliance with the Sub-Fund's ESG criteria. As such, this dedicated ESG analysis module is an integral part of the pre-investment analysis process: for a given company, an ESG score is given on a scale (1 worst– 5 best); if the ESG score is less than 3, then the company is not eligible for investment, no matter how strong the other analysis modules may be.

Below are the key environmental, social and governance factors that the investment team considers material to its internal ESG Scores.

E factors	S factors	G factors
- Carbon emissions - Energy and Water Management Opportunities - Waste & Hazardous Material Management - Biodiversity Impact.	- Employee Health & Safety - Employee Engagement, Diversity, and Inclusion - Human Rights & Community Relations	- Corporate Governance - Business Ethics - Tax Transparency - Regulatory Risk

Also, this Sub-Fund applies an exclusion policy that provides for excluding of companies operating in areas such as controversial and nuclear weapons, pornography, tobacco or are found to be in breach of the UN Global Compact principles as covered and assessed by the Sub-Fund's provider.

In addition, the Management Company considers it essential to be an active investor on behalf of the funds it manages and to participate in the consideration of environmental, social and governance issues through an appropriate voting policy.

The Management Company will engage with companies in the bottom quintile of the Sub-Fund to improve ESG disclosure and/or improve ESG practices. Engagement is integral to our fundamental research process, providing a framework for dialogue to actively support, influence or change ESG practices that may have a material impact on a company's ability to preserve or grow its economic value. In addition, the Management Company participates in a pooled engagement action. This allows the company to be part of a more global and broader approach and push for governance improvements in a wider universe than just the companies present in the Sub-Fund.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There are 4 components to the binding criteria utilized to select the investments in the Sub-Fund, which are:

- To ensure the promotion of both environmental and social characteristics as well as good governance, the Sub-Fund's portfolio-level aggregate ESG score will be better than the Sub-Fund's (average score) investment universe,
- Any target company must have an internal ESG score equal or higher than 3
- No invested securities will be in breach of the UN Global Compact principles (as covered and addressed by our provider).
- There will be a formal engagement plan for each security held in the Sub-Fund that has a bottom quintile ESG score.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

This Sub-Fund provides that investee companies follow good governance practices by ensuring that companies in the Sub-Fund are in compliance to the United Nations Global Compact (as covered and assessed by our provider); by engaging with companies in the bottom quintile of the Sub-Fund in order to improve ESG disclosure and/or improve ESG practices. The analysis of the company prior to

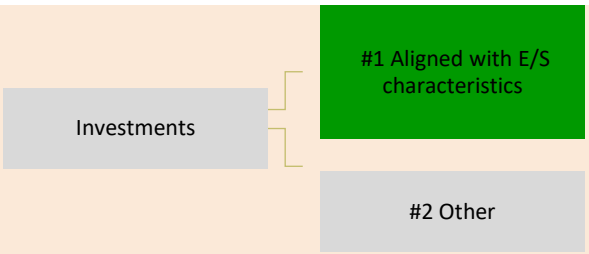
investment and throughout the holding period includes consideration of, but not limited to, management structure, employee relations, remuneration and tax compliance.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund will invest a minimum of 50% of its assets in securities aligned with the Environmental and Social characteristics (#1) promoted by the Sub-Fund. The remaining will be constituted by other equities, Financial contracts, cash or cash equivalents.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

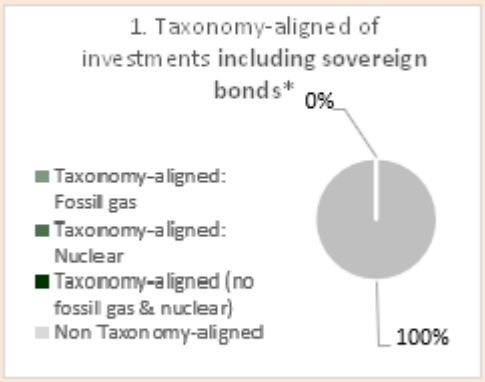
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

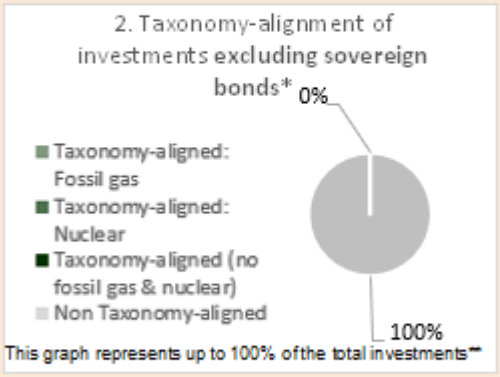
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[12]?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

[12] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

What is the minimum share of socially sustainable investments?

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Other investments include the other strategies of the Sub-Fund such as Special Situations, Financial contracts, cash, or cash equivalents. As such, they do not follow any minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.varennecapital.com/en/documents-esg