

2022 ACTIVE OWNERSHIP AND STEWARDSHIP REPORT

Varenne Capital Partners (hereafter Varenne Capital) is committed to being a responsible investor and taking environmental, social and governance (ESG) issues into account in its investment process. Our approach encompasses the beliefs, standards, procedures, and activities by which we exercise our responsibility towards our clients, who entrust us with the management of their assets. We believe that:

- Responsible investment improves long-term economic and market stability, while directing capital to activities that have positive social and environmental impacts.
- Responsible investment is relevant in both the selection of investments and the management of assets.
- The analysis of ESG factors is a necessary complement to the analysis of fundamental indicators when determining the value of a company.

We are dedicated to encouraging the companies that we invest in to enhance their ESG practices and disclosure, through our own engagement activities, as part of individual and collaborative efforts, and through voting activity.

The report presents our engagement and voting activities for 2022:

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Engagement in 2022

Engagement is integral to Varenne Capital’s fundamental research process. It provides 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. Varenne Capital considers dialogue with the management teams of the selected companies a necessary analytical step before any investment in the Long Equity - Enterprise Picking strategy can be completed. As a matter of course, Varenne Capital excludes the possibility of becoming a shareholder in a company that does not meet the basic criteria of transparency and willingness to engage in dialogue with its investors. This crucial activity occurs at the end of the analysis process and enables our analysts to assess the quality of the management team, the soundness of the strategy implemented and the resources available to deploy it successfully. Once a position has been initiated, we aim to engage in regular, open dialogue with the company throughout the duration of the investment. Any deterioration in the quality of interactions could lead to a complete divestment.

As part of its responsible investment policy, Varenne Capital will, each year, on the Long Equity - Enterprise Picking strategy, identify companies in the bottom quintile following the internal ESG scoring process. Varenne Capital will then formally engage with them to improve ESG disclosure and/or improve ESG practices.

In addition, Varenne Capital participates in the pooled engagement actions carried out by ISS ESG Pooled Engagement Platform. This allows the company to push for governance improvements in a wider universe than just the companies present in our portfolio. ISS ESG analysts identify serious, systematic, or systemic, alleged, or proven breaches of compliance with international standards and guidelines on responsible conduct by certain private sector issuers.

This report presents a summary of the engagements performed in 2022.

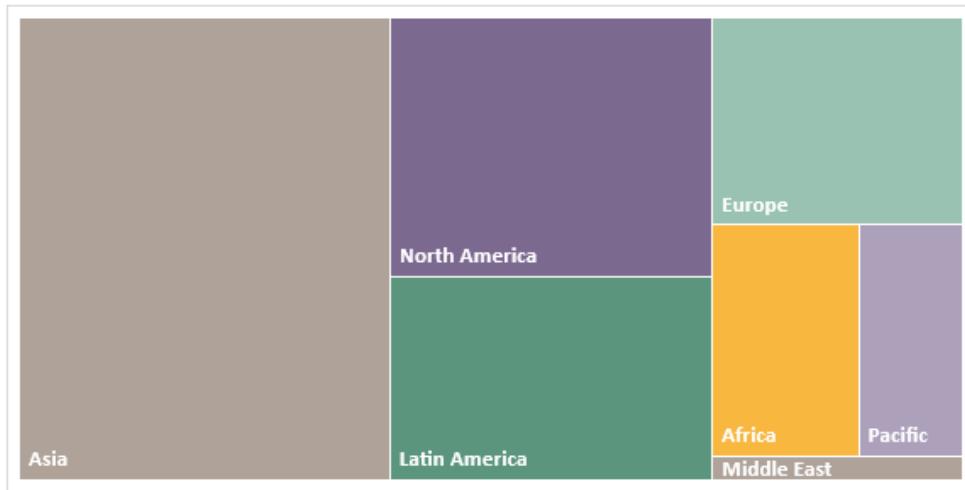
Engagement Overview

Category	Engagements	Engagements Closed
Varenne Capital Engagement		
Environment	3	3
Pooled Engagement		
Corruption	40	14
Environment	61	9
Human rights	51	7
Labour rights	75	11
Total	230	44

The data presented refer to the reporting period 01/01/2022 – 31/12/2022.

Regarding Varenne Capital formal engagements for 2022, at the date of the internal ESG scoring, out of the 15 issuers in the Long Equity - Enterprise Picking strategy, 3 were formally engaged by Varenne Capital. The engagements are detailed in the section Engagement Highlights with invested companies. All three engagements were closed in January 2023 and led to an improvement of the internal ESG Scoring.

Engagement by Sustainable Development Goals (SDGs)



The data presented refer to the reporting period 01/01/2022 – 31/12/2022 and to pooled engagements – Details: Asia: 39% - North America: 19%- Latin America: 15% - Europe: 12% - Africa: 8% - Pacific: 5% - Middle East: 1%.

Engagement by Sustainable Development Goals (SDGs)



The data presented refer to the reporting period 01/01/2022 – 31/12/2022 and to pooled engagements. Please note that an engagement can address several SDGs at the same time.

Engagement Highlights

Engagement Highlights with invested companies

Environment – Biodiversity - Supply chain and buildings

We engaged with Ryanair, a European low-cost airline, on three different aspects of its environmental performance. We initially requested further information on the following points:

- The company's formal actions taken to protect biodiversity.
- The company's facilities and their environmental certifications (LEED, 14001);
- The company's ESG policy coverage and enforcement for outsourced service agreements.

A prompt response from company provided satisfactory additional information regarding the building certification and outsourcing policy points, allowing us to raise our factor score in each case. Regarding biodiversity, we judged that the company's response on biodiversity was adequate but will review the circumstances in one year and re-engage on this point if necessary.

SDG 15: Life on Land ('Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss')

Environment - Reporting - Renewable energy mix

We engaged with Dollar General, an American discount convenience retailer, on three different aspects of its environmental performance and reporting. We initially requested further information on the following points:

- The company's plans to report to the CDP.
- The company's plans to report its Scope 3 emissions.
- The company's plans disclose, or increase and disclose, the percentage of renewables in its energy sourcing.

While the company responded promptly, they did not provide the relevant information that would have changed our appraisal of their performance. Instead, they provided a timeframe for potential further information release. As such, we have closed the engagement for now, but will re-engage if the required information is not released in the given time frame.

SDG 7: Affordable and Clean Energy ('Ensure access to affordable, reliable, sustainable and modern energy for all')

SDG 13: Climate Action ('Take urgent action to combat climate change and its impacts')

Environment – Biodiversity - Supply chain and buildings

We engaged with JD Sports, a global sports and athleisure retailer, on three different aspects of its environmental performance. We initially requested further information on the following points:

- The company's formal actions taken to protect biodiversity.
- The company's facilities and their environmental certifications (LEED, 14001);
- The company's ESG policy coverage and enforcement for outsourced service agreements.

A prompt response from company provided satisfactory additional information regarding all three factors, allowing us to raise our factor score in each case.

Regarding biodiversity, we judged that the company's response on biodiversity was adequate but will review the circumstances in one year and re-engage on this point if necessary.

SDG 15: Life on Land ('Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss')

Other Engagement Highlights

Human Rights –Indigenous rights.

We participated in a collective engagement campaign with a company that engages in the acquisition, exploration, and evaluation of natural resource assets in Sweden, Finland, and Kosovo. The company explores for precious metals and other mineral properties. The engagement was initiated as a result of its alleged failing to over the lack of adequate consultation and the failure to obtain the free, prior and informed consent of indigenous Sámi people in Sweden in one of the company's projects. There are concerns over the "significant and irreversible risks" that the proposed mine poses to Sámi lands, resources, culture, and livelihoods.

The engaged company highlighted that the project's application included preventative and precautionary measures to be developed in consultation with the communities. The engagement remains active to monitor the company's measures to address concerns.

Corruption – Bribery

We participated in a collective engagement campaign with a company that engages in developing oral biotherapeutics. The company paid millions of dollars in kickbacks to induce physicians to use their tests in connection with pre-pregnancy screenings for patients in the U.S.

The company has since adopted specific anti-bribery provisions in its Code of Business

Conduct and Ethics and has appointed new C-level executives, including a chief compliance officer. The company has also closed its commercial operations and reimbursed payments received from federal healthcare programs. Given the remediation, the engagement has been closed.

Voting Activities

Voting Overview

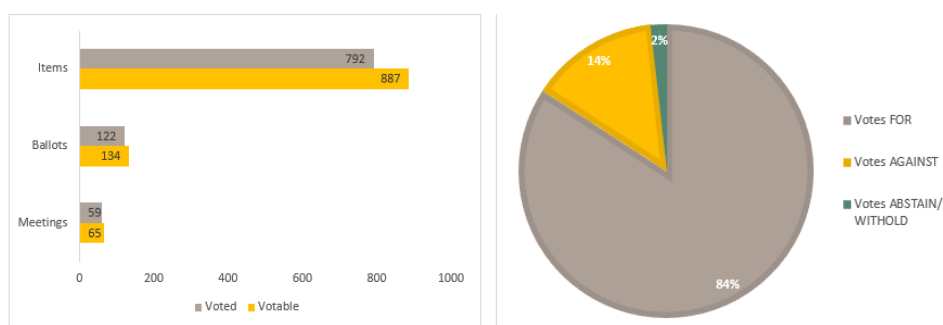
As a long-term investor, Varenne Capital considers it essential to be an active investor on behalf of the funds it manages and to participate in the consideration of environmental, social and governance issues through an appropriate voting policy. Varenne Capital Partners uses the services of International Shareholder Services Inc. (ISS) to exercise its voting rights. Voting is in line with recommendations that incorporate best practices in governance, actions to be taken and processes on subjects related to the Environmental and Social pillars. Our voting also follows the principles of promoting accountability, transparency, honesty, and integrity within companies.

As an independent management company, Varenne Capital is free from any conflict of interest that may arise from offering other financial services to the companies on which it votes.

The report presents how the management company exercised voting rights during the financial year ended December 31, 2022, on behalf of all the funds it manages, in accordance with the voting policy established for the year 2022.

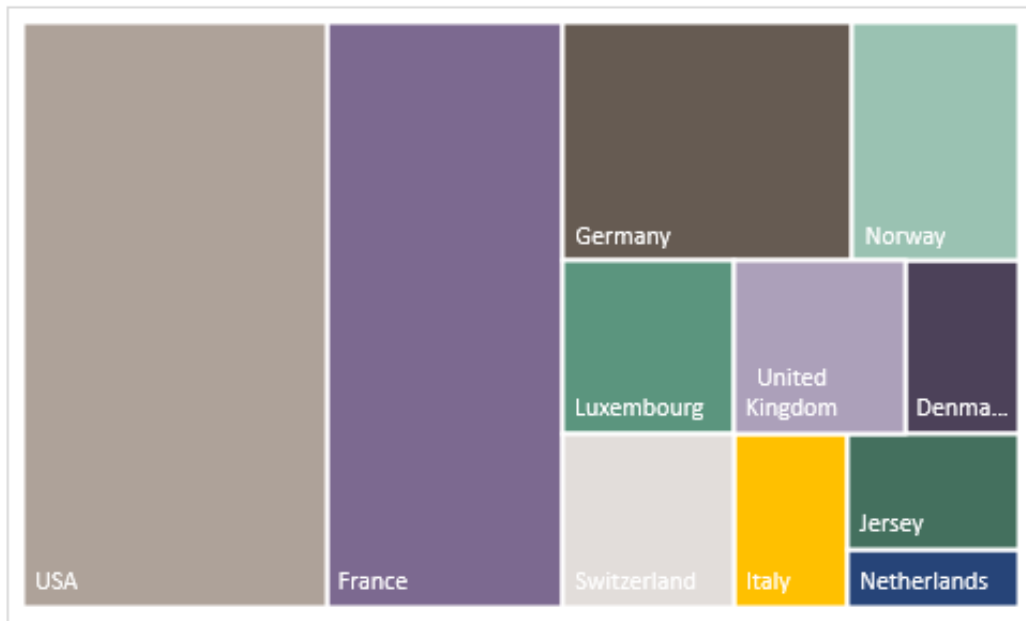
Varenne Capital Partners voted on 91 % out of 65 votable meetings with a total of 792 proposals. Among the 59 voted in 2022, Varenne Capital Partners voted in 35 meetings with at least 1 vote Against, Withhold or Abstain (53.85 % of votable meetings).

Category	Global		Europe		Americas	
Number of votable meetings	65		47		18	
Number of meetings voted	59	91%	41	87%	18	100%
Number of meetings with at least 1 vote Against, Withhold or Abstain	35	54%	23	49%	12	67%



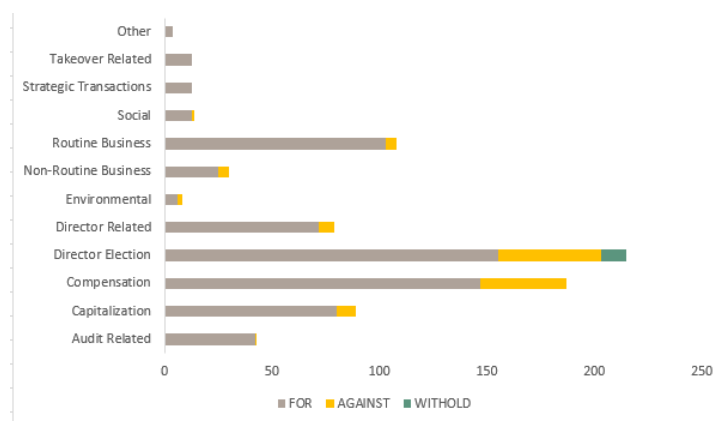
Proponent	% of items	Votes FOR	Votes AGAINST	Votes ABSTAIN/WITHOLD
Management	97%	84%	15%	2%
Shareholders	3%	81%	19%	

Market Breakdown



The data presented refer to the reporting period 01/01/2022 – 31/12/2022.

Voting by Proposal Type



Voting Highlights

LVMH

We voted against the approval of the Auditor's special Report on Related-Party Transactions. Two transactions motivated the decision to vote against the proposal of the management:

- The transaction with is an assistance agreement between Agache and LVMH, covering a wide range of high value-added services, mainly related to financial, legal, tax and administrative matters, provided by specialists. It provides for the sharing of skills as well as certain costs, thus reducing expenses in the interests of both parties. Conversely, the LVMH group provides various administrative and operational services and leases real estate and movable property assets to Agache and some of its subsidiaries. The company failed to provide enough information with respect to the transaction with Agache, important shareholder of LVMH, making it therefore impossible to ascertain that the continuation of this agreement is in shareholders' interests.
- Consulting agreements (including the provision of professional services) between a non-executive director and the company compromise the director's independence. Therefore, this transaction did not warrant support.

ALPHABET

We voted in favour of a shareholder resolution requesting that the Company publish an annual report explaining how the Board is managing risks associated with user data collection, privacy, and security, subject to existing laws and regulation, at reasonable cost and omitting proprietary information, and excluding disclosure of anything that would constitute an admission in pending litigation.

- The company provides comprehensive disclosures regarding how it is managing data privacy and security issues; however, it faces scrutiny over its data practices.
- The company is involved in multiple controversies regarding data privacy and security, which were a key concern for us in our assessment of the company's ESG risks.
- In addition, regulatory and legislative developments in various international jurisdictions may present future legal or reputational risk.

Given these concerns, the requested report would be useful to assess how the company is managing such risks. Therefore, support for this proposal was warranted.

Legal Information

Varenne Capital Partners is a French asset manager authorized by the Autorité des Marchés Financiers (Agreement No. GP- 06000004).

This material has been prepared solely for informational purposes only and it is not intended to be and should not be considered as an offer, or a solicitation of an offer, or an invitation or a personal recommendation to buy or sell participating shares in any Varenne Capital Partners Fund, or any security or financial instrument, or to participate in any investment strategy, directly or indirectly. It is intended for use only by those recipients to whom it is made directly available by Varenne Capital Partners.

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Varenne Capital Partners engagements are done through the ISS ESG Pooled Engagement collective platform and Collaborative engagement platforms. Varenne Capital Partners voting is done through the ISS ProxyExchange voting platform.

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