

Part 2 of Form ADV Brochure Document

Parvus Asset Management Europe Limited

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This brochure provides information about the qualifications and business practices of Parvus Asset Management Europe Limited. If you have any questions about the contents of this brochure, please contact us at: +44 20 7758 4180. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. While Parvus Asset Management Europe Limited is a registered investment adviser, registration does not imply any certain level of skill or training.

Information about Parvus Asset Management Europe Limited is available on the U.K.'s Financial Conduct Authority's website at: <https://register.fca.org.uk/>

Additional information about Parvus Asset Management Europe Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

None.

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Advisory Business

Parvus Asset Management Europe Limited ("Parvus Europe") was established in February 2014 as a private limited company under the laws of England and Wales as successor to Parvus Asset Management (UK) LLP ("Parvus UK"). In December 2014, Parvus Europe succeeded to substantially all of the business of Parvus UK, which has since withdrawn its Investment Adviser registration with the Securities and Exchange Commission pursuant to Section 203(c)(2)(A) of the Investment Advisers Act of 1940. Other, investment-related services are provided by Parvus Asset Management (Services) LLP ("PAMS") solely to Parvus Europe. Parvus Europe and PAMS are collectively referred to as "Parvus" or "The Company" in this brochure. The Company is primarily owned by Mr. Edoardo Mercadante.

The Company provides discretionary investment management services to various pools of capital, including commingled investment vehicles (the "Commingled Funds") and single investor vehicles (the "Funds for One") (collectively the "Funds" or the "Clients"). As of 31st December 2019, Parvus managed approximately \$5.3 billion on a discretionary basis.

With respect to the Funds, Parvus manages assets in accordance with the investment objectives and restrictions set forth in the governing documents applicable to each Fund. The individual needs of the investors in the Funds are not the basis of investment decisions. Investment advice is provided directly to the Funds and not individually to the Funds' investors.

Fees and Compensation

Parvus receives a management fee based on a percentage of assets under management. The management fees vary by strategy: for the long only strategy the fees are 1.25% per annum; for the long/short strategy the fees are 1.50% per annum. All management fees are paid monthly in arrears. As well as a management fee, Parvus receives a performance-based fee, which also differs by strategy.

For the long only strategy, Parvus receives a 20% relative performance fee which is based on the outperformance of a customized benchmark, chosen by Clients, and in the case of one Client, is measured against a standard market benchmark at their preference. For each year the funds outperform the benchmark Parvus is entitled to half of the 20% relative performance fee, paid annually in arrears. The remaining half is reinvested in the fund on a contingent basis as a provision for a longer-term consideration of outperformance (typically an average of at least three years) which acts as a make-whole provision for investors allowing them to claw fees back.

For the long/short strategy, Parvus receives a 20% absolute performance fee which is either paid annually or every three years in arrears depending on the share class into which the investor is invested. Parvus waives fees for Company employees, affiliates, members of the immediate families of such persons, and trusts or other entities for their benefit.

In addition to the management and performance fees discussed above, the Funds are responsible for the payment of administration, brokerage, and custodial fees, as well as their own operating costs. Such costs include those relating to, amongst other things: (1) the charges and expenses of legal advisers, auditors, and consultants; (2) borrowing and trading costs; (3) taxes and corporate fees payable to governments or agencies; (4) directors' fees; (5) preparing, printing, and distributing financial and other reports; (6) research; and (7) insurance.

In addition, a redemption fee, ranging between 1% and 3%, depending on the number of years that have passed since the investment, will be charged with respect to investments in the long/short strategy. A complete description of fees and expenses applicable to each Client is available in the relevant Fund offering document.

Performance-Based Fees and Side-by-Side Management

Performance-based fees are charged only to those clients which qualify as "Qualified Clients" under the Investment Advisers Act of 1940 and may create an incentive for Parvus to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Since the performance fees charged to each Fund are based on both realized and unrealized gains, the Company may receive a performance allocation reflecting unrealized gains at the end of a period that are not subsequently recognized by the Client. This risk is mitigated by the implementation of detailed allocation procedures and the ongoing review of portfolios by investment and compliance personnel. Furthermore, the rate of performance fees is the same for each Client in the same strategy. Parvus does not have any Clients for which it does not charge a performance-based fee.

Types of Clients

Parvus provides discretionary investment management services to commingled investment vehicles. Parvus also provides discretionary investment management services to single investor vehicles, the investors in which are typically foundations, endowments, family offices, and other institutional investors. All clients are accredited investors as described in Regulation D promulgated under the Securities Act of 1933, Qualified Purchasers as described under the Investment Company Act of 1940 and Qualified Clients as described under the Investment Advisers Act of 1940.

Subject to the discretion of Parvus and the Fund directors, the Company may accept less than the minimum Fund investments, which for the Commingled Funds range between \$5 million and €5 million, depending on the Fund and share class invested in. All investors must meet the appropriate regulatory qualifying criteria prior to investing in a Fund. Although the Company has the authority to accept a lesser amount, the minimum investment for a Fund for One or a managed account is, generally, \$100 million or the € equivalent.

Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis and Investment Strategies

Parvus funds typically invest in Western European equities of all market capitalizations and their derivatives. On behalf of its Clients the Company is also allowed to invest in investment and non-investment grade debt securities, unlisted equities, and various types of derivatives for hedging purposes. Parvus on behalf of its Clients takes both long and short positions, depending on the investment guidelines of the strategy.

Prior to making an investment in a company, Parvus conducts a fundamental analysis of companies it believes are under-researched and under-owned. This includes an assessment of each company's short- and long-term economic profit prospects and intrinsic value, interviews with management teams, interviews with customers and competitors, and an accounting review with an emphasis on cash generation and consumption. The due diligence process ultimately leads to the creation of a multi-year financial forecasting model that Parvus uses to determine the company's intrinsic value through a discounted cash flow model. Parvus then seeks to exploit any inconsistencies between intrinsic value and market perception.

Parvus also executes short sales for Clients invested in the long/short strategy. These may include the identification of bankruptcy candidates through forensic accounting analysis, companies with structurally deteriorating operations, and failed restructurings.

Risks of Loss

Investing in securities involves the risk of loss that Clients and investors should be prepared to bear. Any investment should be made only after consultation with independent qualified sources of investment and tax advice. No guarantee or representation is made that the investment program Parvus implements will be successful; indeed, performance could be negatively impacted by a number of risks, including, but not limited to:

1. **Liquidity** – Certain markets have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere.
2. **Legal and Political Risk** – Many of the laws that govern private and foreign investment, equity securities transactions, and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, an investor is subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations.

3. **Derivatives** – The Funds make use of various derivative instruments, such as convertible securities, options, futures, forwards, and interest rate, credit default, total return, and equity swaps. The use of derivative instruments involves a variety of risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses.
4. **Counterparty (Credit) Risk** – The Funds enter into transactions in OTC markets whereby the Funds are exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses.
5. **Short Sales** – Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position.

Investors should refer to the offering documents of the Funds for a complete description of the risks involved in an investment.

Disciplinary Information

Parvus and its management personnel have not been involved in any legal or disciplinary events, let alone any that would be material to a Client or investor's evaluation of the Company or its management personnel.

Other Financial Industry Activities and Affiliations

Commingled Investment Vehicles and Single Investor Vehicles

Certain of the Funds (or their sub-funds or feeders) are U.S. limited partnerships that are controlled by affiliated General Partner entities (the "GP Entities"). Parvus or the GP Entities will be responsible for decisions regarding such Funds and shall have full discretion over the management of such Funds' investment activities. Any persons acting on behalf of the GP Entities are subject to the supervision and control of Parvus. Parvus Asset Management (Cayman) Limited ("PAMCI") owns 100% of the voting power of the GP Entities.

Other Affiliations

PAMCI also owns, through a subsidiary, 80% of Parvus Europe.

Separately, The Children's Investment Fund Management (Cayman) Limited ("TCI"), which is wholly owned by Christopher Hohn, has a 20% voting stake in PAMCI. However, Mr Hohn has no ability to control the day-to-day activities of Parvus.

Other Service Providers

TCI Fund Services LLP ("TCIFS") provides back office, accounting, and administrative services to Parvus and its Clients pursuant to a service agreement between Parvus and TCIFS. All fees paid to TCIFS are paid by the Company and not the Clients. TCIFS is substantially owned by TCI.

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics and Personal Securities Transactions

Parvus permits its directors, partners and employees to engage, on a limited basis, in personal securities transactions. To avoid any potential conflicts of interest involving personal trades, Parvus has adopted a Code of Ethics. The Code of Ethics addresses, among other things, insider trading, information barriers, and personal securities transactions and requires employees to adhere to the following principles:

1. The interests of Clients must take precedence over those of employees;
2. All personal securities transactions must be conducted in a manner consistent with applicable laws and must avoid any actual or potential conflicts of interest or any abuse of a position of trust and responsibility;
3. Directors, partners and employees may not take inappropriate advantage of their position at Parvus; and
4. Information about Clients and the underlying investors, portfolio holdings, and investment recommendations must be kept confidential.

In all cases, Clients' interests are paramount and take priority over employees' interests. Employees must not effect transactions that could involve them in a conflict between their own interests and that of a Client.

The Code of Ethics governs personal trading activities by directors, partners and employees and their immediate family members. Specifically, the Code of Ethics requires employees to pre-clear certain personal securities transactions, report all personal trades on at least a quarterly basis, and provide initial and annual holdings reports. In addition, if Parvus directors, partners and employees wish to obtain equity or credit exposure to European issuers, they should achieve this through investment into a Fund managed by Parvus, and not by way of direct investment into European financial instruments.

The Compliance Department monitors personal trading activity undertaken by staff to ensure that transactions have been executed in accordance with the Code of Ethics and

relevant rules and regulations. A copy of Parvus' Code of Ethics is available to existing and prospective investors upon request.

Participation or Interest in Client Transactions

Parvus does not engage in principal trades. However, Parvus, its directors, partners and employees, and other related entities may have an ownership interest in certain Funds in which other Funds invest (e.g., feeder funds will invest in a master fund for which an affiliate of Parvus serves as managing member).

Directors, partners and employees are not permitted to invest in securities that may also be held in Client portfolios. The Company has adopted policies and procedures to ensure that directors, partners and employees do not front run Clients or otherwise engage in activities that would or could be perceived as market abuse.

Brokerage Practices

Parvus considers the following factors in selecting broker-dealers for Fund transactions and determining the reasonableness of their compensation:

1. Knowledge of the security and/or market,
2. Ability to deal at the best price,
3. Execution efficiency,
4. Credit standing and reputation,

Although Parvus seeks best execution including competitive commission rates, it will not necessarily pay the lowest commission rate available.

All trades that Parvus executes for its Clients are effected on an execution-only basis. The research that Parvus receives is paid by the Clients with hard dollars.

Parvus does not accept any research or other products and services, which are not paid for (with the exception of minor non-monetary benefits), from broker-dealers with whom Parvus has trading relationships. Parvus has no active commission sharing arrangements ("CSAs") in place with any broker-dealers and does not earn 'soft dollars'. At all times, the broker-dealers are subject to the requirement to provide Parvus' clients with best execution.

Trade Aggregation

Orders for the same security entered on behalf of more than one of the Funds will usually be aggregated (i.e., blocked or bunched) as this is deemed to be in the best interests of all participating Clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders for the same security for the same account(s) will not be aggregated with any previously filled orders. All Clients participating in an aggregated order shall receive the average price and pay a pro rata portion of transaction costs.

The allocation of securities across Client accounts will be determined prior to execution and will be based on various factors, including: account size, diversification, cash availability, and investment strategy. In the event an order is partially filled, Parvus shall seek to ensure that each account gets a pro rata allocation based on its initial allocation.

Cross transactions

As a result of subscriptions or withdrawals and the changes in the value of the assets of the various Funds in any month, the Company adjusts, to the extent practicable, the exposure levels in the respective Funds which follow the same, or similar, investment strategies to instruments in their respective portfolio at the beginning of each month in order to maintain the exposures deemed most appropriate by Parvus.

Such adjustments may be effected by purchases and sales in the market or by a transfer from one or more Clients to other Clients (a "Cross-Transaction"). A Cross-Transaction is effected if Parvus determines the transaction to be in the best interests (and consistent with the investment program, risk management and other relevant considerations) of the affected Clients. Generally, the relevant asset will be transferred at a price equal to the close of business market price on the transfer date, as determined by either the market on the relevant day, or by the involved Clients' administrator.

Review of Accounts

Generally, Client accounts are reviewed on a continuous basis by investment personnel. These reviews are designed to monitor and analyze transactions and positions of the Funds to ensure compliance with investment objectives and restrictions. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels.

Investors will receive a variety of reports on a regular basis. Such reports include monthly flash reports (including performance estimates, exposures and assets under management), quarterly investor letters, as well as annual financial statements and tax reporting. Additional ad hoc information may also be provided either to all investors or at the request of investors as long as it is not information that gives advantage to one investor over another.

Client Referrals and Other Compensation

No one who is not a Client provides an economic benefit to Parvus for providing investment advice or other advisory services to Clients. In addition, the Company does not compensate any person for Client referrals.

Custody

All Client assets are held in custody by unaffiliated broker-dealers or banks. However, Parvus has access to the accounts of the Funds where an affiliated entity is the general partner of the Funds or has the right to appoint directors. Investors do not receive statements directly from Fund custodians. Instead, the Funds are subject to an annual audit and audited financial statements are distributed to each investor. Audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

Investment Discretion

Parvus manages the Funds on a discretionary basis subject to the guidelines and restrictions set forth in Fund offering documents. The Company typically has authority to determine the securities to be bought and sold without obtaining Fund or investor consent to specific transactions. Moreover, the Company typically has the authority to determine the amount of the securities to be bought and sold without obtaining Fund or investor consent to specific transactions.

Voting Client Securities

Parvus has authority to vote proxies on behalf of the Funds. Parvus votes proxies so as to promote the long-term economic value of the underlying securities. Each proxy proposal will be considered on its own merits, and the Company will vote exclusively with the goal of best serving the financial interests of the Funds.

Parvus may have a conflict of interest in voting a particular proxy. A conflict of interest could arise, for example, as a result of a business relationship with a company, or a direct or indirect business interest in the matter being voted upon, or as a result of a personal relationship with corporate directors or candidates for directorships. If Parvus determines that it or one of its employees faces a material conflict of interest in voting a proxy, Parvus' procedures provide for the independent directors on each Fund Board, to determine the appropriate vote.

Investors may obtain a copy of Parvus' proxy voting policies and procedures, as well as information about how the Company voted with respect to their securities, by contacting us at +44 20 7758 4180.

Financial Information

Parvus has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.