



Exclusion Policy from Eligible Investments of Companies Involved in Activities Related to Controversial Weapons

SYCOMORE ASSET MANAGEMENT

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Framework

At the date of publication of this policy, Sycomore AM considers that the following weapons are controversial:

- Anti-personnel mines, as defined in the 1999 Ottawa Convention, signed by France, and which prohibits the use, development, production, acquisition, stockpile, retention or transfer to anyone, directly or indirectly, of anti-personnel mines and to assist, encourage or induce anyone to engage in any of these prohibited activities.
- Cluster munitions, as defined in the Convention on Cluster Munitions (Oslo - 2008) signed by France and which prohibits the use, development, production, acquisition, stockpile, retention and transfer to anyone, directly or indirectly, anti-personnel mines and to assist, encourage or induce anyone to engage in any of these activities prohibited.
- Nuclear weapons as defined in the 1968 Treaty on the Non-Proliferation of Nuclear Weapons, in force since 1970, signed by France, and which prohibits each nuclear-weapon State Party to the Treaty to transfer directly, or indirectly, to assist, encourage, or induce any non-nuclear-weapon State to manufacture or acquire nuclear weapons and that prohibits nuclear-weapon States to provide to non-nuclear-weapon States resources or special fissionable material and equipment or material especially designed or prepared for the processing, use or production of special fissionable material. Non-nuclear-weapon States are not allowed to accept, manufacture, acquire nuclear weapons or otherwise receive any assistance in the manufacture of nuclear weapons.
- Chemical weapons as defined in the 1993 Chemical Weapons Convention (CWC) signed by France and which prohibits the development, production, acquisition, stockpile or retention of chemical weapons, or transfer, directly or indirectly, chemical weapons to anyone; to use chemical weapons; to engage in any military preparations to use chemical weapons; to assist, encourage or induce, in any way, anyone engaging in any of these prohibited activities.
- Biological weapons as defined in the 1972 Biological Weapons Convention (BWC) signed by France and which prohibits the development, production, stockpile, acquisition or transfer to anyone, directly or indirectly, of biological weapons.

Scope

This policy covers all the undertakings for collective investment (UCI) for which Sycomore AM undertakes the promotion and financial management. In addition, this policy is directed, worldwide, to:

- Private- and public-sector companies;
- Listed and unlisted companies;

- All asset classes (equities, bonds, borrowings and derivatives).

Analysis

Sycomore AM considers that a company is involved in the development, production, marketing, stockpiling, distribution, funding or transport of controversial weapons where it:

- Develops, produces, markets, distributes, funds or transports controversial weapons or components specifically designed for such weapons (dedicated components) and representing an essential element for such function;
- Provides assistance, technologies or services that are essential and dedicated to such weapons, such as logistics or transport.

Sycomore AM uses as a reference framework the exclusion lists established by a selection of reference stakeholders in the field of analysis of the companies' activities relating to controversial weapons, in order to find the companies where there is a consensus regarding their involvement in controversial weapons. Therefore, such companies are the object of an additional analysis, including but not limited to an analysis of their shareholders. If a State that is both a Member State of the European Union and a subscribing State of the treaties referenced is a shareholder of such a company, such shareholding is considered as a guarantee of respect of such treaties by that company.

The information systems of the management company prevents the capture of orders relating to securities identified in the exclusion list.

This list is the object of an annual review.

Exclusion from the Investment Universe

Sycomore AM refuses to invest, for own account or on behalf of the UCITS, in the promotion and financial management of, either directly or indirectly, in equities or in credit instruments issued by companies meeting the above-mentioned criteria .

Under the mandates entrusted to them by third parties, Sycomore AM checks the source of the investments that could be entrusted to them, and will not accept the investment of sums coming from the production, trade or stockpiling of controversial weapons.

Definitions

Anti-personnel Mines:

1. “Anti-personnel mine” means a mine designed to be exploded by the presence, proximity or contact of a person and which will incapacitate, injure or kill one or more persons. Mines designed to be detonated by the presence, proximity or contact of a vehicle as opposed to a person, that are equipped with anti-handling devices, are not considered anti-personnel mines as a result of being so equipped.
2. “Mine” means a munition designed to be placed under, on or near the ground or other surface area and which is exploded by the presence, proximity or contact of a person or a vehicle.

Cluster Munitions:

1. “Cluster munition” means a conventional munition that is designed to disperse or release at least three explosive submunitions each weighing less than 20 kilograms, and including those explosive submunitions. It does not mean the following:
 - (a) A munition or submunition designed to dispense flares, smoke, pyrotechnics or chaff; or a munition designed exclusively for an air defence role;
 - (b) A munition or submunition designed to produce electrical or electronic effects;
 - (c) A munition that, in order to avoid indiscriminate area effects and the risks posed by unexploded submunitions, has all of the following characteristics:
 - (i) Each munition contains fewer than ten explosive submunitions;
 - (ii) Each explosive submunition weighs more than four kilograms;
 - (iii) Each explosive submunition is designed to detect and engage a single target object;
 - (iv) Each explosive submunition is equipped with an electronic self-destruction mechanism;
 - (v) Each explosive submunition is equipped with an electronic selfdeactivating feature;
2. “Explosive bomblet” means a conventional munition, weighing less than 20 kilograms, which is not self-propelled and which, in order to perform its task, is dispersed or released by a dispenser, and is designed to function by detonating an explosive charge prior to, on or after impact;

Nuclear Weapon:

The Nuclear weapon is an unconventional weapon that uses the energy released by the fusion of heavy atomic nuclei (uranium or plutonium in the case of A-bombs), or by combining this phenomenon with the fusion of light atomic nuclei (hydrogen in the case of H-bombs). The energy released by the explosion is stated by its equivalent in TNT. This category takes into consideration the source or special fusionable material and equipment or material especially designed or prepared for the processing, use or production of special fusionable materials.

Biological or Bacteriological Weapons:

1. “Biological” or “Bacteriological Weapons” mean microbial or other biological agents, or toxins whatever their origin or method of production, of categories and in quantities that have no justification for prophylactic, protective or other peaceful purposes;
2. It also includes weapons, equipment or means of delivery designed to use such agents or toxins for hostile purposes or in armed conflict.

Chemical Weapons:

- Includes,
1. Toxic chemicals and their precursors, except where intended for purposes not prohibited under the conventions referenced, as long as the categories and quantities are consistent with such purposes;
 2. Munitions and devices, specifically designed to cause death or other harm through the toxic properties of those toxic chemicals specified in subparagraph 1, which would be released as a result of the employment of such munitions and devices;
 3. Any equipment specifically designed for use directly in connection with the employment of munitions and devices specified in subparagraph 2.
 4. “Toxic Chemical” means: Any chemical which through its chemical action on life processes can cause death, temporary incapacity or permanent harm to humans or animals. This includes all such chemicals, regardless of their origin or of their method of production, and regardless of whether they are produced in facilities, munitions or elsewhere.
 5. “Precursor” means: Any chemical reactant which takes part at any stage in the production, regardless of the method, of a toxic chemical. This includes any key component of a binary or multicomponent chemical system.

List of EU signatory countries

Convention/Treaty	EU signatory countries
Anti-personnel Mines	Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Czech Republic, Romania, the United Kingdom, Slovakia, Slovenia, Sweden
Cluster Munitions	Germany, Austria, Belgium, Bulgaria, Croatia, Denmark, Spain, France, Hungary, Ireland, Italy, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Czech Republic, the United Kingdom, Slovenia, Sweden
Nuclear	Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the United Kingdom, Slovakia, Slovenia, Sweden
Chemical Weapons	Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Czech Republic, Romania, the United Kingdom, Slovakia, Slovenia, Sweden
Biological Weapons	Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Czech Republic, Romania, the United Kingdom, Slovakia, Slovenia, Sweden