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europa eco solutions

NOVEMBER 2022

Share I

Isin code | LU1183791281

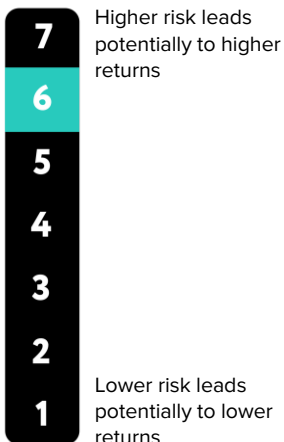
NAV | 165.5€

Assets | 680.3 M€

European Sustainable Classification



SRRI

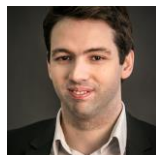


The fund does not offer any guarantee of return or performance and presents a risk of capital loss

Investment Team



Anne-Claire
ABADIE
Fund Manager



Alban
PRÉAUBERT
Fund Manager



France



France



Belgium



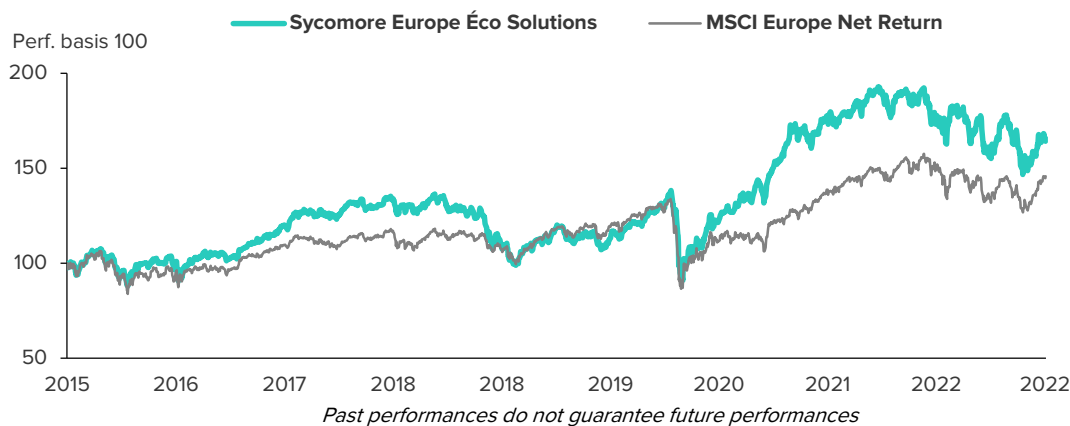
Germany

Investment strategy

A European selection of companies supporting the environmental transition

Sycomore Europe Eco Solutions invests in listed European companies across the entire market capitalisation spectrum. The fund focuses on companies with business models that support the environmental transition according to the Net Environmental Contribution (NEC) metric, covering a wide range of areas: renewable energy, energy efficiency and electrification, mobility, natural resources, renovation and construction, circular economy, food, and ecosystem services. The fund excludes businesses that destroy biodiversity, contribute towards global warming, or display poor Environmental, Societal and Governance ratings.

Performance as of 30.11.2022



	Nov 2022	1 year	3 yrs	5 yrs	Inc. Annu.	2021	2020	2019	2018		
Fund %	4.7	-13.6	-9.9	36.7	27.0	65.5	7.2	17.6	28.3	25.1	-22.3
Index %	6.9	-6.2	-1.0	15.8	28.9	45.8	5.3	25.1	-3.3	26.0	-10.6

Statistics

	Corr.	Beta	Alpha	Vol.	Bench. Vol	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	Bench. DD
3 years	0.9	0.9	6.4%	20.7%	20.6%	9.1%	0.5	0.7	-34.2%	-35.3%
Inception	0.9	0.9	2.5%	17.1%	17.2%	7.8%	0.4	0.2	-34.2%	-35.3%

Fund commentary

Reassuring inflation readings in the US, followed by the rather more dovish tone used in the Fed's latest meeting and the early signs of reopening in China, led to a sharp market rebound. In particular, easing energy prices accelerated the rebound for companies most exposed to energy spending, such as raw materials players (Befesa, Aurubis, AMG and MP Materials). Finally, the fund benefited from the robust performance delivered by Infineon (record year in 2022 suggesting a strong improvement for mid-term objectives). The COP27 failed to meet expectations on emission reductions and the exit from fossil fuels but did reiterate the 1.5°C target and agreed on a support fund to help developing countries recover from climate-related disasters.



Fund Information

Inception date

31/08/2015

ISIN codes

Share I - LU1183791281

Share R - LU1183791794

Bloomberg tickers

Share I - SYCECOI LX

Share R - SYCECOR LX

Benchmark

MSCI Europe Net Return

Legal form

SICAV compartiment

Domiciliation

Luxembourg

PEA eligibility

Yes

Investment period

5 yrs

Minimum investment

None

UCITS V

Yes

Valuation

Daily

Currency

EUR

Cut-Off

11am CET Paris (BPSS LUX)

Cash Settlement

T+2

Management fees

Share I - 1.00%

Share R - 2.00%

Performance fees

15% > Benchmark

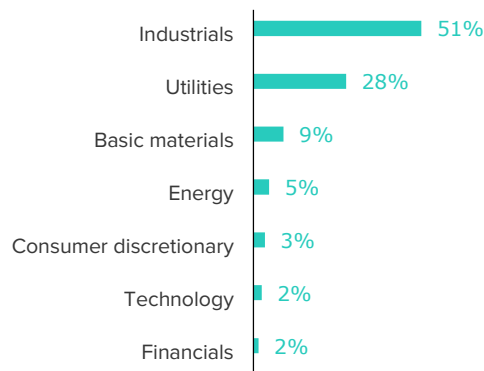
Transaction fees

None

Portfolio

Equity exposure	96%
Overlap with benchmark	4%
Number of holdings	60
Weight of top 20 stocks	47%
Median market cap	4.5 €bn

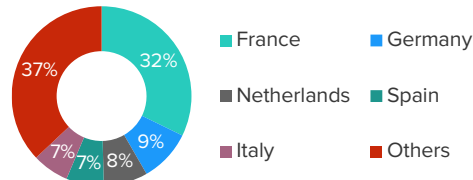
Sector exposure



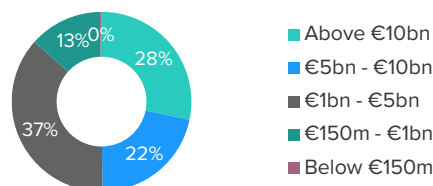
Valuation

2022 PER	14.6x	11.9x
2022 EPS growth	24.9%	12.3%
2022 P/BV ratio	2.1x	1.7x
Return on Equity	14.6%	14.5%
2022 Dividend Yield	2.0%	3.5%

Country breakdown



Market cap breakdown



SPICE, for Society & Suppliers, People, Investors, Clients, Environment is our tool for assessing a company's performance on sustainability criteria. This tool incorporates the analysis of economic, governance, environmental, social, and societal risks and opportunities covering both the company's daily operations and its product and service offer.

The analysis process covers 90 criteria and leads to a rating per letter. These 5 ratings are weighted based on the company's most material impacts*.

	Fund	Index
SPICE	3.8/5	3.4/5
S score	3.5/5	3.1/5
P score	3.6/5	3.4/5
I score	3.8/5	3.6/5
C score	3.8/5	3.4/5
E score	4.0/5	3.1/5

Top 10

	Weight	SPICE rating	NEC
Schneider E.	3.9%	4.3/5	+11%
Veolia	3.1%	3.7/5	+46%
Alfen NV	2.7%	3.9/5	+53%
Prysmian	2.5%	3.8/5	+22%
SIG Group AG	2.4%	3.8/5	+22%
Infineon	2.4%	3.8/5	+12%
Acciona Energias	2.4%	3.6/5	+94%
Nexans	2.3%	4.0/5	+15%
SPIE	2.3%	3.8/5	+14%
ERG	2.2%	4.0/5	+95%

Performance contributors

	Avg. weight	Contrib
Positive		
Infineon	2.1%	0.49%
Alstom	1.9%	0.32%
Schneider E.	3.6%	0.28%
Negative		
Alfen NV	2.5%	-0.41%
Nexans	2.2%	-0.27%
Acciona Energias	2.2%	-0.10%

Portfolio changes

Buy

Reinforcement

Befesa
Rockwool
Veolia

Sell

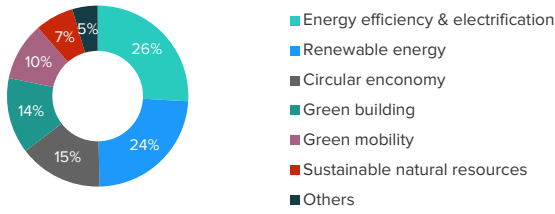
Biffa
Scatec Solar

Reduction

Grp Séché
Aurubis
Prysmian



Environmental thematics



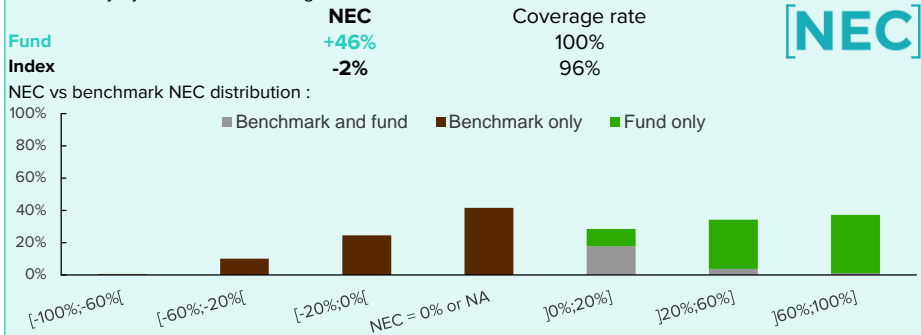
ESG scores

	Fund	Index
ESG*	3.7/5	3.2/5
Environment	4.0/5	3.1/5
Social	3.6/5	3.3/5
Governance	3.6/5	3.4/5

Environmental analysis

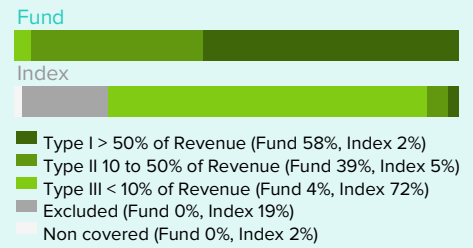
Net Environmental Contribution (NEC)**

Degree of alignment of the economic models with the ecological transition, integrating biodiversity and climate, on a scale running from -100% for eco-obstruction to +100% for eco-solution, where 0% equates to the average environmental impact of the global economy. The results are expressed in NEC 1.0 (nec-initiative.org) scores calculated by Sycomore Asset Management on the basis of data collected from 2018 to 2021.



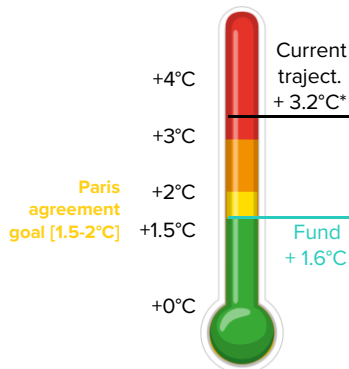
Greenfin Breakdown**

Companies breakdown according to their revenue generated by eco and excluded activities defined by [the Greenfin label](#)



Temperature rising - SB2A

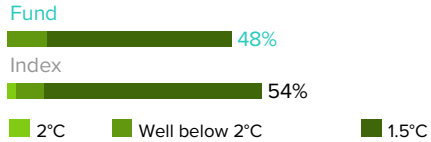
Induced average temperature increase by 2100 compared to pre-industrial times, according to the Science-Based 2°C Alignment methodology.
Coverage rate : fund 62%



*IPCC Sixth Assessment Report «Climate Change 2022: Mitigation of Climate Change». <https://www.ipcc.ch/assessment-report/ar6/>

Climate alignment - SBTi

Share of companies that have validated their greenhouse gas reduction targets with the Science-Based Targets initiative.



Carbon footprint

Annual greenhouse gas emissions (GHG Protocol) from upstream scopes 1, 2 and 3 per thousand euros invested***.
Coverage rate : fund 89% / index 99%



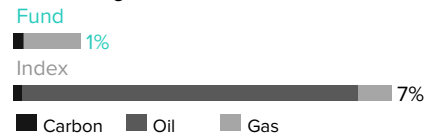
European taxonomy

Turnover percentage of companies eligible to UE taxonomy
Coverage rate : fund 95% / index 98%



Fossil fuel exposure

Percentage of income derived from the three fossil energies.



Biodiversity footprint

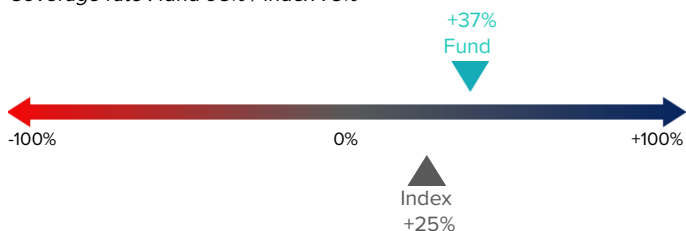
Artificialised surface area in m² MSA per k€ invested***, measured by the Corporate Biodiversity Footprint. Mean Species Abundance (MSA) is assessed in comparison with the original state of the environment.



Societal and social analysis

Societal contribution

Contribution of the economic activity of companies to the resolution of major societal issues, on a scale from -100% to +100%.
Coverage rate : fund 98% / index 73%



Staff growth

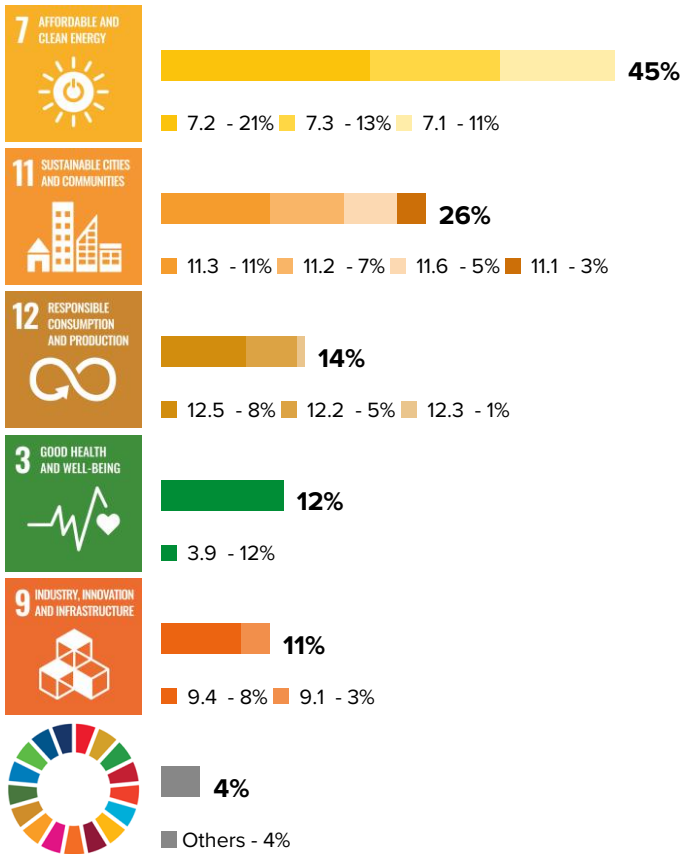
Cumulated growth in company headcounts over the past three financial years (data unadjusted in the event of acquisitions, excluding transformational deals).
Coverage rate : fund 94% / index 94%



Sources: company data, Sycomore AM, Trucost, Bloomberg, Science Based Targets, Vigeo. Methodologies and approaches may differ between issuers and providers of extra-financial data. Sycomore AM does not guarantee the accuracy, completeness, and exhaustiveness of the extra-financial reports.*ESG-SPICE correspondence: E=E, S=(P+S+C)/3, G is a sub-part of I, which represents 40%.**The fund has committed to outperforming the benchmark on these two indicators. The other indicators are shown for illustrative purposes.***Footprint allocated prorata to enterprise value (market capitalization for financials).



Sustainable development goals exposure



This chart represents the main exposures to the United Nations Sustainable Development Goals and their 169 targets. Exposure is defined as the opportunity, for each company, to contribute positively to reaching SDGs, providing their products and services. This exercise doesn't aim to measure the companies effective contribution to SDGs, which is computed through our societal contribution (CS) and net environmental contribution (NEC) metrics. For each invested company, activities are analysed in order to identify those which are exposed to SDGs. For a same activity, its number of targets can vary between 0 and 2. The company target exposure to one of its activities is weighted by the revenue share gained from this activity. For more details, our annual SRI report is available in our ESG documentation.

No significant exposure : 13%

Note: while SDG # 13 does not feature explicitly in this classification, this SDG remains one of the key objectives of our investment strategy and a factor that is systematically integrated and assessed, both at stock picking level and in our measurement of impacts. Nevertheless, based on the wording chosen by the UN, SDG # 13 cannot apply to a corporate company.

ESG follow-up, news and dialogue

Dialogue and engagement

Rexel

Dialogue with the company on the new CEO's arrival in March 2022 and the implications for management and human capital. The company is focusing on internal mobility and diversity. We have encouraged the company to set up an employee satisfaction survey at group level (the initiative is only available in the US for the time being).

Andritz

Following our collaborative engagement through the CDP, the company completed its first CDP "Water" questionnaire in 2022, thereby providing the first set of data enabling an assessment of its risk and strategy in this area. We feel the answers provided so far have failed to demonstrate a mature approach to addressing the issue.

ESG controversies

No Comment.

Votes

0 / 0 voted general assembly over the month.

Details on our votes are available here the day following the company's AGM [Here](#).