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europe happy@work

JANUARY 2023

Share CS

Isin code | LU1786954369

NAV | 126.3€

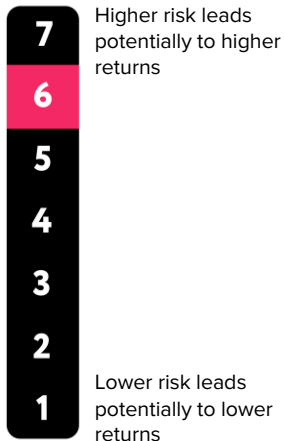
Assets | 495.7 M€

SFDR 9

Sustainable Investments

% AUM: ≥ 80%
% Companies*: 100%
*Excluding derivatives, cash & equivalent

SRRI



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

Investment Team



Cyril CHARLOT
Fund Manager



Jessica POON
Fund Manager



Claire MOUCHOTTE
SRI analyst



France



Belgium



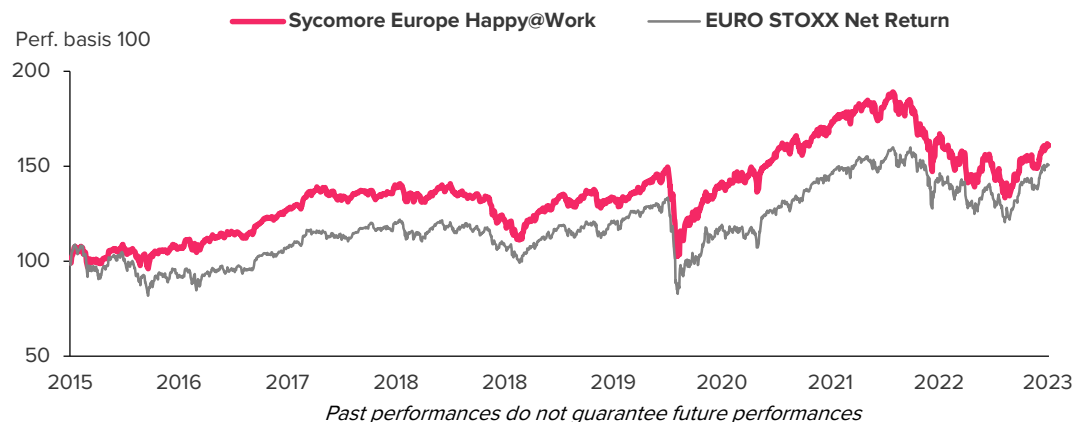
Germany

Investment strategy

A responsible selection of people-driven European companies

Sycomore Europe Happy@Work invests in European companies that pay particular attention to the importance of human capital as a key performance driver. The fund seeks to contribute positively to the human capital issues highlighted in the United Nations' Sustainable Development Goals. Stocks are selected on the basis of rigorous fundamental analysis combined with in-depth ESG research, focusing on a company's ability to promote employee fulfillment and engagement, using a proprietary assessment framework. The analysis draws from the experience and knowledge of field experts, human capital managers and employees. Fund managers also carry out on-site visits. The fund seeks to outperform the Euro Stoxx TR index over 5 years.

Performance as of 31.01.2023



	Jan 2023	1 year	3 yrs	5 yrs	Inc. Annu.	2022	2021	2020	2019	
Fund %	7.9	7.9	-5.3	13.9	61.0	6.5	-19.0	15.5	12.8	23.8
Index %	9.3	9.3	-0.4	19.9	50.7	5.6	-12.3	22.7	0.2	26.1

Statistics

	Corr.	Beta	Alpha	Vol.	Bench. Vol	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	Bench. DD
3 years	0.9	0.8	-0.7%	19.8%	23.0%	8.2%	0.2	-0.2	-31.4%	-37.9%
Création	0.9	0.7	2.1%	15.2%	18.9%	7.8%	0.4	0.1	-31.4%	-37.9%

Fund commentary

The Europe H@W fund rose significantly while trailing its benchmark that rebounded rapidly. Many H@W stocks outperformed this month. SVB Financial Group surged 31% and First Republic rose 15% as both banks showed a slowdown in deposit outflow. Technology stocks also recovered (ASML +19%; STMicroelectronics + 31% and Hubspot +24%), attesting to their strong fundamentals. Moreover, Hermès jumped 17% and Christian Dior rose 14% as they benefit from the China's re-opening. Among Healthcare stocks, we took profits on AstraZeneca proactively as it approached our target price while Synlab suffered from a Portuguese regulatory overhang despite its attractive financial upside. We reinforced SVB Financial Group and STMicroelectronics, and we initiated small positions in Straumann and ServiceNow. The initial cash balance limited this month's performance temporarily as we believe the rally will not be linear with volatility ahead. We remain vigilant and will increase our equity exposure by taking advantage of market volatility.



Fund Information

Inception date

04/11/2015

ISIN codes

Share CS - LU1786954369
Share I - LU1301026206
Share R - LU1301026388

Bloomberg tickers

Share CS - SYCHACS LX
Share I - SYCHAWI LX
Share R - SYCHAWR LX

Benchmark

EURO STOXX 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 CS - 1.00%
Share I - 1.00%
Share R - 2.00%

Performance fees

15% > Benchmark

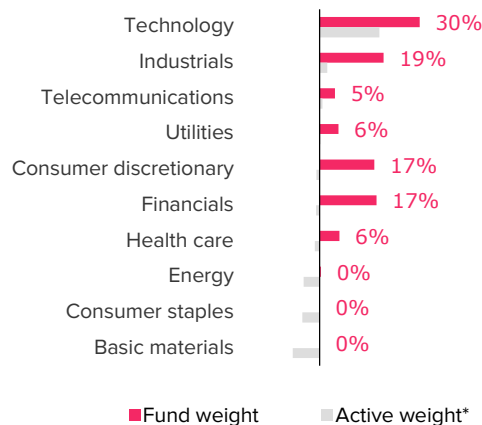
Transaction fees

None

Portfolio

Equity exposure	95%
Overlap with benchmark	20%
Number of holdings	53
Weight of top 20 stocks	57%
Median market cap	26.9 €bn

Sector exposure

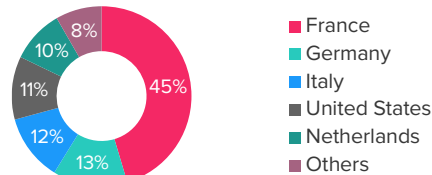


*Fund weight - weight EURO STOXX Net Return

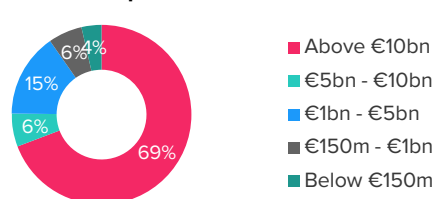
Valuation

	Fund	Index
2023 PER	17.2x	12.7x
2023 EPS growth	11.2%	8.5%
2023 P/BV ratio	2.4x	1.5x
Return on Equity	13.7%	11.9%
2023 Dividend Yield	2.0%	3.3%

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	3.9/5	3.5/5
S score	3.5/5	3.2/5
P score	4.2/5	3.5/5
I score	3.9/5	3.7/5
C score	3.9/5	3.6/5
E score	3.6/5	3.2/5

Top 10

	Weight	SPICE rating	People Score
ASML	4.9%	4.3/5	4.4/5
Saint Gobain	4.2%	3.9/5	4.1/5
Schneider E.	3.8%	4.3/5	4.4/5
AXA	3.8%	3.7/5	4.0/5
SAP	3.4%	4.1/5	4.4/5
Christian Dior	3.2%	4.2/5	3.9/5
ESG Core Inv.	3.2%	3.0/5	3.2/5
STMicroelec.	3.1%	3.9/5	4.1/5
Intesa Sanpaolo	3.0%	3.5/5	3.9/5
Deutsche Telekom	2.9%	3.3/5	3.6/5

Performance contributors

	Avg. weight	Contrib
Positive		
ASML	4.4%	0.77%
Saint Gobain	3.9%	0.55%
STMicroelec.	1.9%	0.49%
Negative		
Soitec	1.0%	-0.10%
ERG	1.7%	-0.08%
AstraZeneca	2.6%	-0.07%

Portfolio changes

Buy

Servicenow
Straumann

Reinforcement

Stmicroelec.
Deutsche Tel.
Acciona Ener.

Sell

Stellantis N.V.
Voltaia

Reduction

Astra Zeneca
Gtt



ESG scores

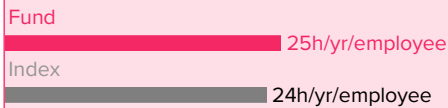
	Fund	Index
ESG*	3.7/5	3.3/5
Environment	3.6/5	3.2/5
Social	3.8/5	3.4/5
Governance	3.8/5	3.5/5

Societal and social analysis

Training number of hours**

Average number of hours of training delivered per employee per year in companies.

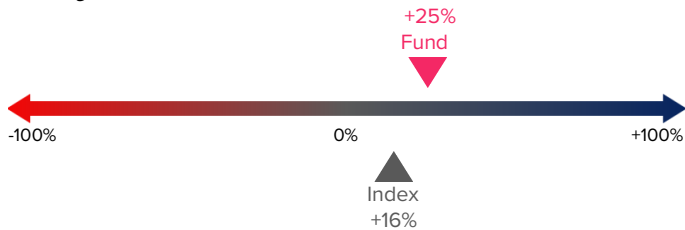
Coverage rate : fund 84% / index 88%



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 93%

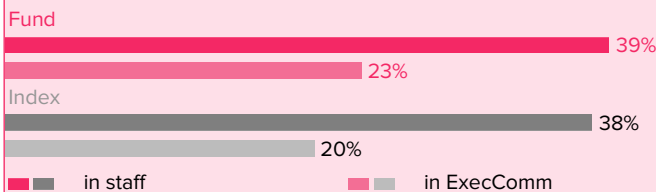


Gender equality ♀/σ***

Percentage of women in total company headcounts and executive committees.

Staff coverage rate : fund 100% / index 98%

ExecComm coverage rate : fund 100% / index 99%

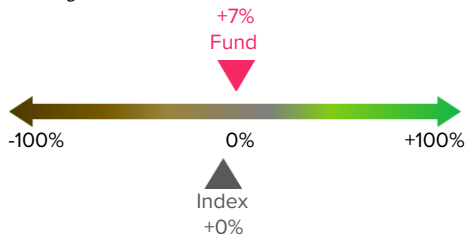


Environmental analysis

Net Environmental Contribution (NEC)

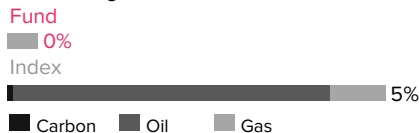
Degree of alignment of the economic models with the ecological transition, integrating biodiversity and climate, on a scale running from -100% for eco-obstruction to +100% for eco-solution, where 0% equates to the average environmental impact of the global economy. The results are expressed in NEC 1.0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

Coverage rate : fund 100% / index 99%



Fossil fuel exposure

Percentage of income derived from the three fossil energies.



Carbon footprint

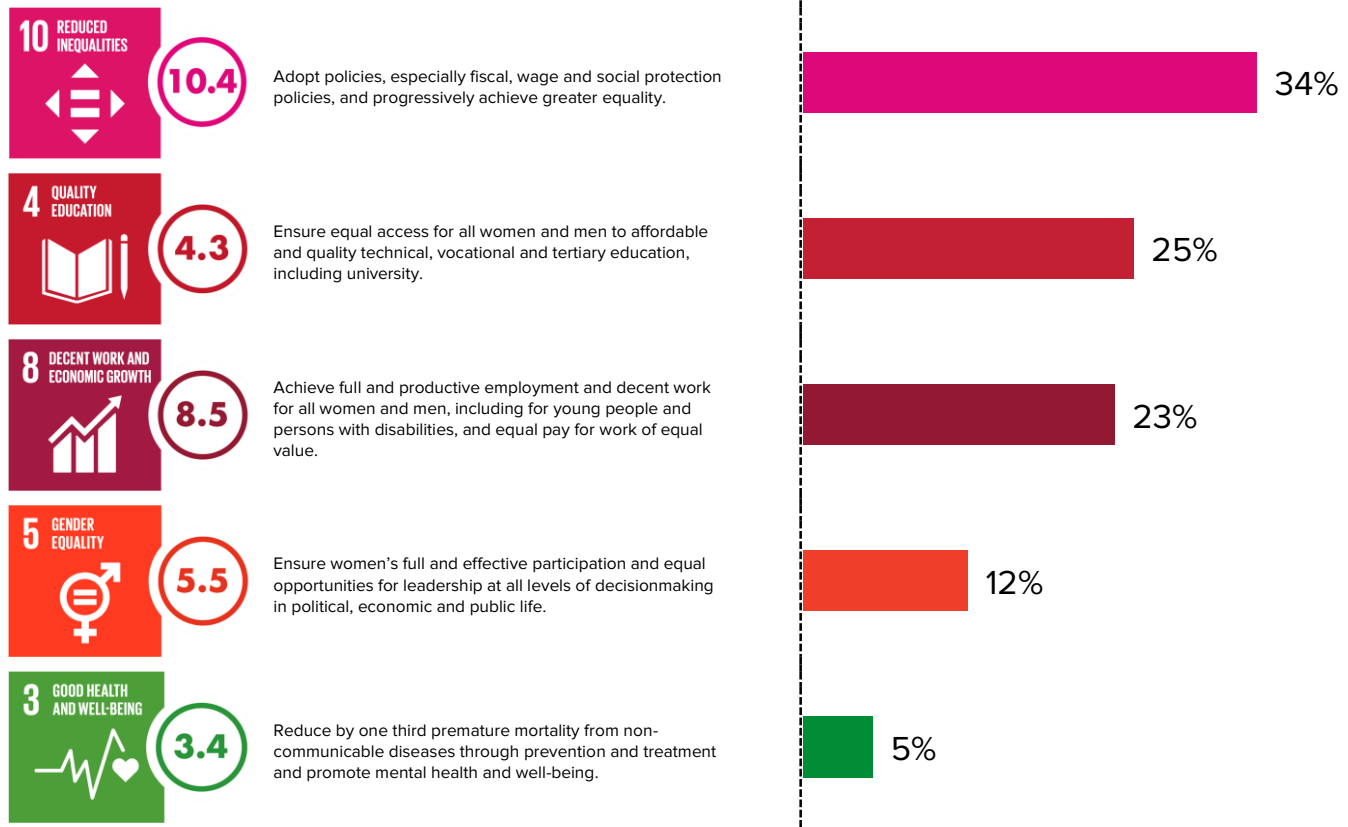
Annual greenhouse gas emissions (GHG Protocol) from upstream scopes 1, 2 and 3 per thousand euros invested***.

Coverage rate : fund 92% / index 98%

	Fund	Index
kg. eq. CO ₂ /year/k€	75	225



Sustainable development goals exposure



ESG follow-up, news and dialogue

Dialogue and engagement

L'Oréal

Discussions with the company on the most pertinent data for measuring the gender pay gap. L'Oréal already discloses this information in the UK and in France and has noted that a group-level indicator could introduce a "best practice".

ESG controversies

T-Mobile

T-Mobile identified a data breach on January 5th. Although no sensitive data as financial information was compromised, some customer information was obtained affecting 37 million customers. We reached out to the company that promptly commenced an investigation with external cybersecurity experts and within a day of learning of the malicious activity, was able to trace its source and stop it. The investigation is still ongoing, and the company has begun notifying impacted customers.

Microsoft

The group announced the redundancy of 1000 people before the end of March, accounting for 5% of its overall headcount. The group is also planning to reduce its office space and adjust its range of electronic devices. The CEO Satya Nadella added that these decisions were necessary to enable the company to adapt to current changes. Analysis currently being conducted, notably focusing on social dialogue around the redundancy packages and the support provided to employees – both those that are leaving and those that are staying.

Votes

1 / 1 voted general assembly over the month.

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