SFDR 8

Sustainable Investments

% AUM:	≥ 70%
% Companies*:	≥ 70%

*Excluding derivatives, cash & equivalent

Belgium   Germany

SRRI

7	Higher risk leads potentially to higher returns
6	
5	
4	
3	
2	
1	Lower risk leads potentially to lower returns
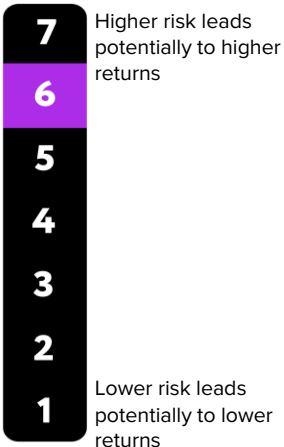
The fund does not offer any guarantee of return or performance and presents a risk of capital loss

Investment Team

Cyril CHARLOT
Fund Manager

Olivier CASSÉ
Fund Manager

**Bertille KNUCKEY**
Fund Manager

Giulia CULOT
Fund Manager

Investment strategy

Sycomore Sélection Responsable (Luxembourg) is a feeder fund for the Paris-based Sycomore Sélection Responsable master fund. The strategy aims to outperform the Euro Stoxx Total Return Index (dividends reinvested) over a recommended investment horizon of five years.

The fund invests in a selection of stocks that are principally issued by Eurozone companies. Stock picking is carried out based on fundamental analysis and in-depth ESG (Environment, Social, Governance) research designed to identify companies that are addressing the challenges of sustainable development.

Performance as of 31.01.2023

Past performances do not guarantee future performances
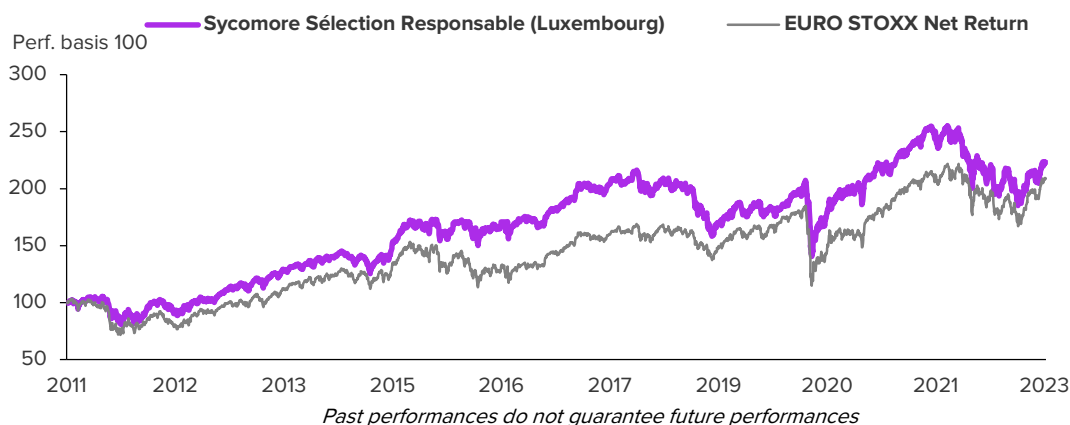
	Jan	2023	1 year	3 yrs	5 yrs	Inc.	Annu.	2022	2021	2020	2019
Fund %	8.9	8.9	-3.8	15.3	5.1	123.0	6.9	-18.4	16.0	11.2	20.1
Index %	9.3	9.3	-0.4	19.9	25.6	108.8	6.3	-12.3	22.7	0.2	26.1

Statistics

	Corr.	Beta	Alpha	Vol.	*Bench. Vol*	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	*Bench. DD*
3 years	1.0	0.9	-0.6%	20.7%	*23.1%*	6.4%	0.2	-0.2	-32.2%	*-37.9%*
Création	1.0	0.8	1.5%	16.7%	*19.4%*	6.2%	0.4	0.1	-35.1%	*-37.9%*

Fund commentary

After pausing for breath in December, Eurozone equity markets resumed the upward trend begun in Q4 2022, lifted by hopes that the economic slowdown would remain under control, and be combined with a phase of disinflation. Last year's laggards (tech, real estate) rebounded sharply, while defensive sectors (utilities, staple consumer goods) and oil stocks struggled to keep up. This environment was largely favourable to Sycomore Sélection Responsable thanks to the fund's diversified exposure to a selection of growth stocks (ASML, ASMi, Hermès, Infineon and Straumann) and undervalued companies (Autoliv, BNP Paribas, Husqvarna, and Saint-Gobain) which rallied over 15% during the month. Portfolio movements included some profit taking on growth stocks displaying rich valuations (Novo Nordisk, Adyen, Straumann, IMCD). With the proceeds, we initiated new positions in KPN and Santander.

sycomore sélection responsable (luxembourg)

Fund Information

Inception date
08/09/2016

ISIN codes
Share IC - LU1440642087
Share ID - LU1440644372
Share RC - LU1440644455
Share RD - LU1440644612

Bloomberg tickers
Share IC - SYCSRIC LX
Share ID - SYCSRID LX
Share RC - SYCSRRC LX
Share RD - SYCSRRD LX

Benchmark
EURO STOXX Net Return

Legal form
SICAV compartment

Domiciliation
Luxembourg

PEA eligibility
Yes

Investment period
5 yrs

Minimum investment
None

UCITS V
Yes

Valuation
Daily

Currency
EUR

Cut-Off
D before 9.45am (BPSS Lux)

Cash Settlement
T+2

Management fees
Share IC - 0.00%
Share ID - 0.00%
Share RC - 1.00%
Share RD - 1.00%

Performance fees
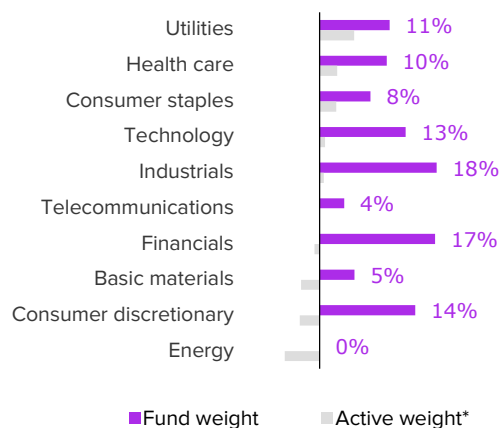None - (Master fund) : 15% >
benchmark.

Transaction fees
None

Portfolio

Equity exposure	94%
Overlap with benchmark	32%
Number of holdings	61
Weight of top 20 stocks	54%
Median market cap	44.6 €bn

Sector exposure

Sector	Fund weight
Utilities	11%
Health care	10%
Consumer staples	8%
Technology	13%
Industrials	18%
Telecommunications	4%
Financials	17%
Basic materials	5%
Consumer discretionary	14%
Energy	0%

■ Fund weight ■ Active weight*

Fund weight - weight EURO STOXX Net Return

Country breakdown

France 52%, Netherlands 14%, Others 14%, Germany 14%, Italy 11%, 9%

■ France ■ Netherlands
■ Germany ■ Italy
■ Others

Market cap breakdown

Above €10bn 85%, €5bn - €10bn 9%, €1bn - €5bn 6%

■ Above €10bn
■ €5bn - €10bn
■ €1bn - €5bn

Valuation

	Fund	Index
2023 PER	15.2x	12.7x
2023 EPS growth	7.7%	8.5%
2023 P/BV ratio	2.1x	1.5x
Return on Equity	13.6%	11.9%
2023 Dividend Yield	2.9%	3.3%
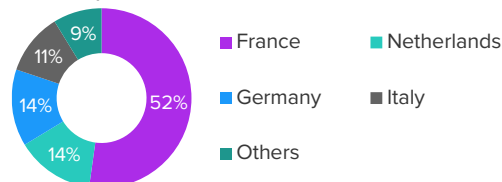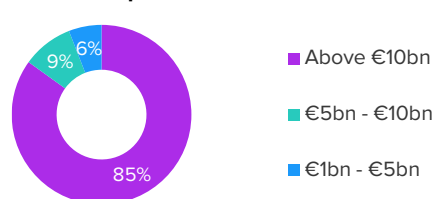
SPICE, for Society & Suppliers, People, Investors, Clients, Environment is our tool for assessing a company's performance on sustainability criteria. This tool incorporates the analysis of economic, governance, environmental, social, and societal risks and opportunities covering both the company's daily 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	3.5/5
S score	3.5/5	3.2/5
P score	3.8/5	3.5/5
I score	3.8/5	3.7/5
C score	3.8/5	3.6/5
E score	3.6/5	3.2/5

Top 10

	Weight	SPICE rating	NEC	CS
ASML	5.7%	4.3/5	+4%	27%
Air Liquide	4.0%	4.1/5	+1%	10%
AXA	3.7%	3.7/5	0%	35%
Hermès	3.6%	4.3/5	-10%	-15%
Schneider E.	3.2%	4.3/5	+13%	37%
BNP Paribas	2.8%	3.4/5	+0%	12%
Sanofi	2.8%	3.2/5	0%	83%
L'Oreal	2.7%	4.1/5	-5%	2%
Iberdrola	2.7%	3.8/5	+44%	29%
Munich Re.	2.5%	3.4/5	0%	34%

Performance contributors

	Avg. weight	Contrib
Positive		
ASML	5.7%	1.02%
BNP Paribas	3.7%	0.64%
Hermès	3.5%	0.61%
Negative		
Engie	2.0%	-0.06%
Orsted	1.5%	-0.05%
Symrise	1.0%	-0.04%

Portfolio changes

Buy	Reinforcement	Sell	Reduction
Koninklijke Kpn	Autoliv	Adyen	Bnp Paribas
Banco Santander	Bureau Veritas		Straumann
	Axa		Imcd

sycomore sélection responsable (luxembourg)

Sustainability thematics
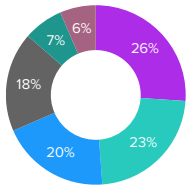
- ■ Health & Safety — 26%
- ■ Energy transition — 23%
- ■ Digital and communication — 20%
- ■ SPICE Leadership — 18%
- ■ Nutrition and well-being — 7%
- ■ Others — 6%

ESG scores

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

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.
Coverage rate : fund 100% / index 99%

+8% Fund

-100%   0%   +100%
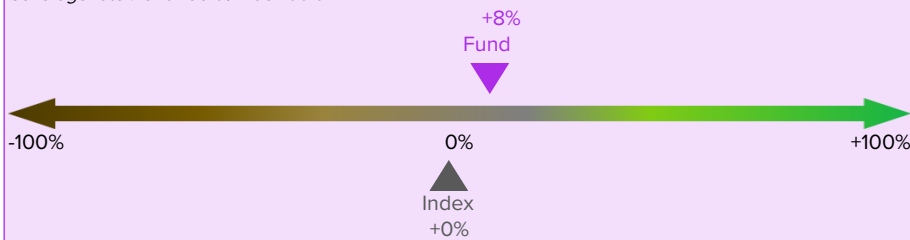
Index +0%

European taxonomy

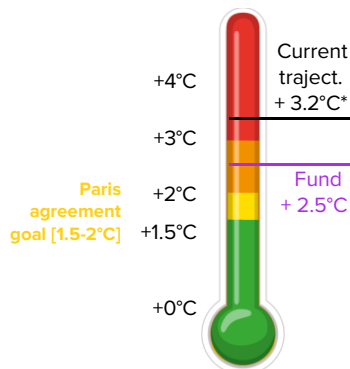Turnover percentage of companies eligible to UE taxonomy
Coverage rate : fund 100% / index 99%

Fund — 48%
Index — 47%

Temperature rising - SB2A

Induced average temperature increase by 2100 compared to pre-industrial times, according to the Science-Based 2°C Alignment methodology.
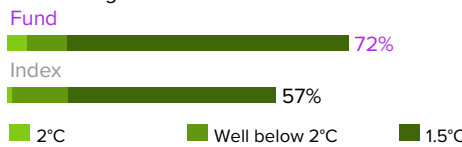*Coverage rate : fund 77%*

Current traject. + 3.2°C*

+4°C
+3°C
Fund + 2.5°C
+2°C
Paris agreement goal [1.5-2°C]
+1.5°C
+0°C

*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.

Fund — 72%
Index — 57%
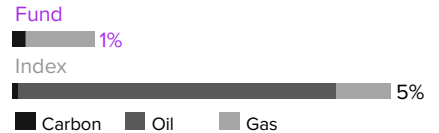
■ 2°C   ■ Well below 2°C   ■ 1.5°C

Carbon footprint

Annual greenhouse gas emissions (GHG Protocol) from upstream scopes 1, 2 and 3 per thousand euros invested***.
Coverage rate : fund 100% / index 98%

	Fund	Index
kg. eq. CO_2 /year/k€	148	225

Fossil fuel exposure

Percentage of income derived from the three fossil energies.

Fund — 1%
Index — 5%

■ Carbon   ■ Oil   ■ Gas

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.
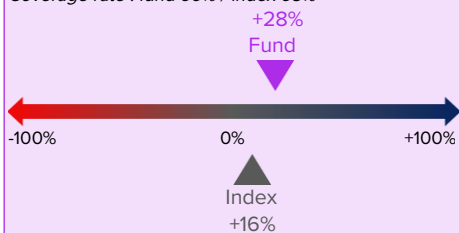*Coverage rate : fund 100% / index 98%*

	Fund	Index
m².MSA/k€	-70	-66

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 99% / index 93%

+28% Fund

-100%   0%   +100%

Index +16%

Human rights policy

Percentage of portfolio companies that have drawn up a Human Rights policy.
Coverage rate : fund 100% / index 98%
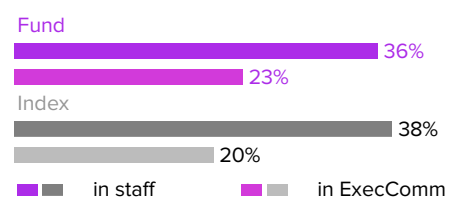
Fund — 100%
Index — 97%

Gender equality ♀/♂

Percentage of women in total company headcounts and executive committees.
Staff cov. rate : fund 99% / index 98%
ExecComm cov. rate : fund 100% / index 99%

Fund — 36%
— 23%
Index — 38%
— 20%

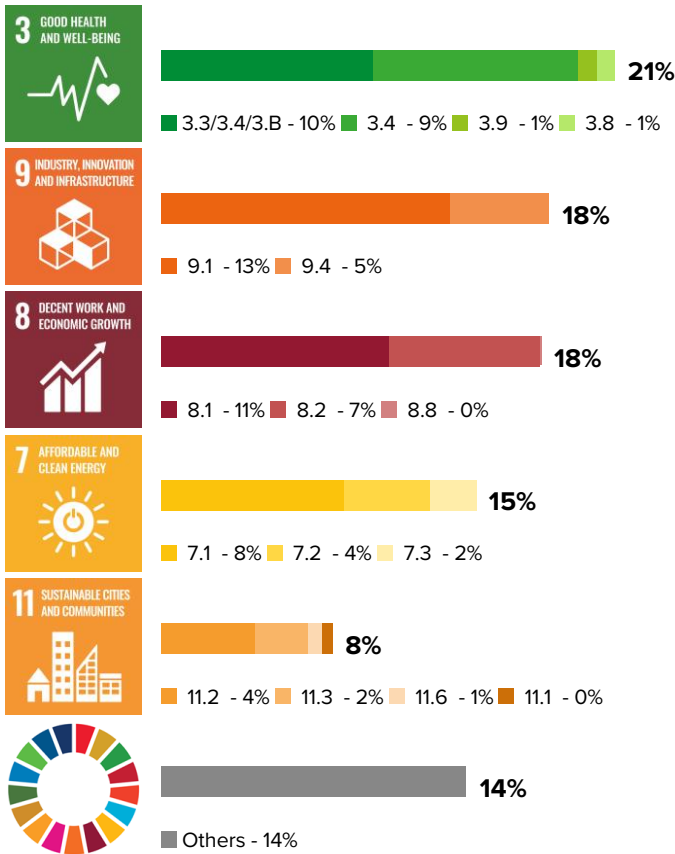■■ in staff   ■■ in ExecComm

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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

3 GOOD HEALTH AND WELL-BEING

21%

■ 3.3/3.4/3.B - 10% ■ 3.4 - 9% ■ 3.9 - 1% ■ 3.8 - 1%

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

18%

■ 9.1 - 13% ■ 9.4 - 5%

8 DECENT WORK AND ECONOMIC GROWTH

18%

■ 8.1 - 11% ■ 8.2 - 7% ■ 8.8 - 0%

7 AFFORDABLE AND CLEAN ENERGY

15%

■ 7.1 - 8% ■ 7.2 - 4% ■ 7.3 - 2%

11 SUSTAINABLE CITIES AND COMMUNITIES

8%

■ 11.2 - 4% ■ 11.3 - 2% ■ 11.6 - 1% ■ 11.1 - 0%

14%

■ Others - 14%

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 environnemental 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 : 19%

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".

Veolia
During discussions held with the Investor Relations team in January, we made several recommendations for improvement to Veolia regarding its environmental policy and its reporting: coal exit timeline, transparency on the company's power mix for its heating a cooling networks, and clarification on the scope of activities eligible with the European taxonomy. The company responded positively on the reporting issues but expressed some reservations on the disclosure of a precise coal exit timeline.

ESG controversies

Axa
In November 2022, several insurance companies published the Partnership for Carbon Accounting Financials (PCAF) which sets disclosure standards on emissions within the insurance industry. These standards are controversial as they fail to include requirements for scope 3, which remains, however, the largest for the industry. Pas d'impact sur la gestion. De manière plus générale, nous veillons dans l'analyse des démarches climat des entreprises à la prise en compte du scope 3.

Votes

2 / 2 voted general assemblies over the month.
Details on our votes are available here the day following the company's AGM Here.