



**sycomore**  
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sycomore

# sélection responsable (luxembourg)

JUNE 2024

Share RC

Isin code | LU1440644455

NAV | 146.4€

Assets | 107.5 M€

## SFDR 8

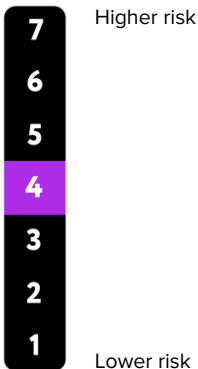
### Sustainable Investments

% AUM:  $\geq 70\%$

% Companies\*:  $\geq 70\%$

\*Excluding derivatives, cash & equivalent

### Risk indicator



The risk indicator assumes you keep the product for 5 years.

**Warning :** the actual risk can vary significantly if you cash in at an early stage and you may get back less.

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

### Investment Team



**Olivier CASSE**  
Fund Manager



**Giulia CULOT**  
Fund Manager



**Catherine ROLLAND**  
SRI analyst



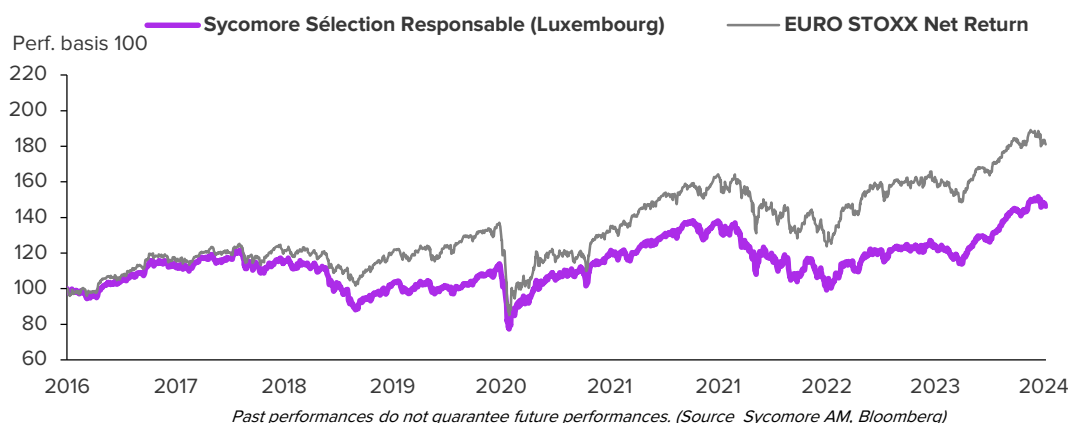
Belgium

### 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 28.06.2024



	Jun 2024	1 year	3 yrs	5 yrs	Inc. Annu.	2023	2022	2021	2020		
<b>Fund %</b>	-2.4	13.1	17.8	12.1	42.7	46.4	5.0	18.2	-19.3	14.9	10.1
<b>Index %</b>	-2.7	7.9	11.5	19.5	49.0	81.0	7.9	18.5	-12.3	22.7	0.2

### Statistics

	Corr.	Beta	Alpha	Vol.	Bench. Vol	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	Bench. DD
<b>3 years</b>	1.0	0.9	-1.6%	16.0%	16.6%	4.0%	0.1	-0.6	-28.1%	-24.6%
<b>Inception</b>	1.0	0.9	-1.9%	15.8%	17.2%	5.1%	0.3	-0.6	-36.4%	-37.9%

### Fund commentary

Volatility in Eurozone equity markets rebounded sharply during the month, as political risk made a surprising comeback (together a risk of fragmentation in the euro area, according to pessimists) following the French President's decision to call an early election. Financial stocks (largely underweight in the portfolio) were logically the first to suffer from investor withdrawals, as were small and mid-caps (market caps below €6 billion do not feature in our portfolio) and several French companies potentially threatened by the far-right party's historical political program (Vinci, Eiffage, Engie, also not in the fund). We did not panic but the portfolio's exposure to France was nevertheless reduced - principally via Axa and Veolia - and we strengthened Germany via Siemens and Deutsche Telekom. Convinced that this political crisis will offer attractive entry points over the next few weeks, we have kept our cash reserves higher than usual. These liquidities can be deployed very quickly to seize any opportunities that may occur.



## 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 - SYCSRRL 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

D before 9.45am (BPSS Lux)

### Cash Settlement

D+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

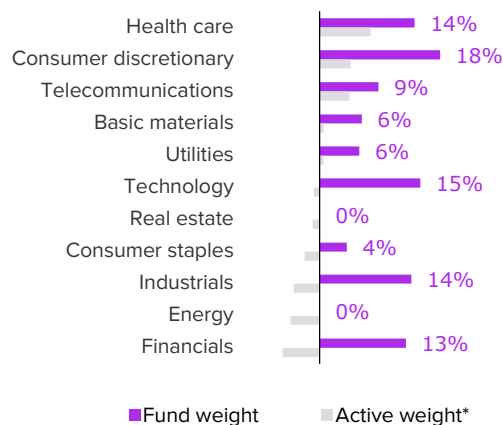
### Transaction fees

None

## Portfolio

Equity exposure	88%
Overlap with benchmark	35%
Number of holdings	38
Weight of top 20 stocks	72%
Median market cap	67.2 €bn

## Sector exposure

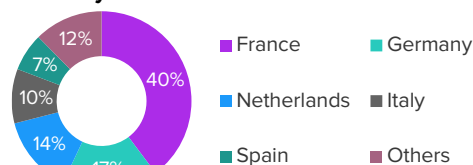


\*Fund weight - weight EURO STOXX Net Return

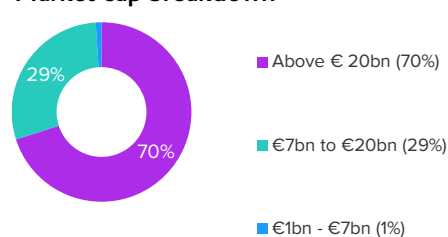
## Valuation

	Fund	Index
Ratio P/E 2024	12.4x	13.2x
Croissance bénéficiaire 2024	5.5%	5.1%
Ratio P/BV 2024	1.5x	1.8x
Return on Equity	11.9%	13.6%
Rendement 2024	3.3%	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	3.7/5	3.6/5
S score	3.6/5	3.4/5
P score	3.6/5	3.6/5
I score	3.8/5	3.7/5
C score	3.8/5	3.6/5
E score	3.5/5	3.3/5

## Top 10

	Weight	SPICE rating	NEC	CS
ASML	8.3%	4.3/5	+6%	27%
Renault	6.4%	3.5/5	+26%	34%
LVMH	5.0%	3.8/5	-15%	-22%
Siemens	4.8%	3.5/5	+20%	43%
KPN	4.5%	3.5/5	0%	60%
Prysmian	4.3%	3.7/5	+31%	24%
Société générale	4.2%	3.3/5	0%	18%
Deutsche telekom	3.6%	3.5/5	0%	50%
Iberdrola	3.3%	3.9/5	+35%	35%
EssilorLux.	3.0%	3.6/5	0%	61%

## Performance contributors

	Avg. weight	Contrib
<b>Positive</b>		
ASML	8.9%	0.84%
SAP	3.2%	0.40%
Deutsche telekom	3.4%	0.18%
<b>Negative</b>		
Société générale	5.1%	-1.17%
Renault	7.1%	-0.79%
Santander	3.2%	-0.35%

## Portfolio changes

### Buy

### Reinforcement

### Sell

### Reduction

Siemens  
Deutsche telekom  
Infineon

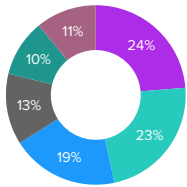
Schneider

Axa  
Veolia  
SAP

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## Sustainability thematics



- Health & Safety
- Digital and communication
- Energy transition
- SPICE Leadership
- SPICE transformation
- Others

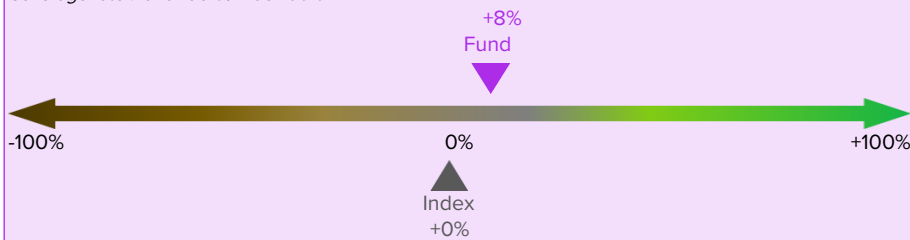
## ESG scores

	Fund	Index
<b>ESG*</b>	<b>3.6/5</b>	<b>3.4/5</b>
Environment	3.5/5	3.3/5
Social	3.6/5	3.6/5
Governance	3.6/5	3.6/5

## 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](https://nec-initiative.org)) calculés par Sycomore AM sur la base de données des années 2018 à 2021.  
Coverage rate : fund 100% / index 99%



### European taxonomy

Percentage of revenues derived from eligible activities to the EU taxonomy

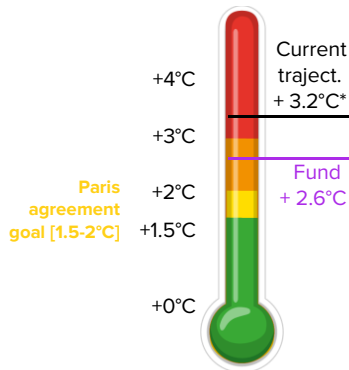
Coverage rate : fund 100% / index 100%



### Temperature rising - SB2A

Induced average temperature increase by 2100 compared to pre-industrial times, according to the Science-Based 2°C Alignment methodology.

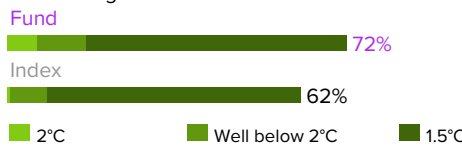
Coverage rate : fund 99%



\*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

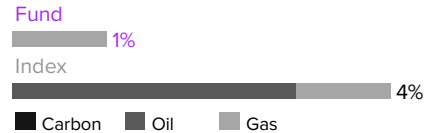
Annual greenhouse gas emissions (GHG Protocol) from upstream scopes 1, 2 and 3 per thousand euros invested\*\*\*.

Coverage rate : fund 100% / index 99%

	Fund	Index
kg. eq. CO <sub>2</sub> /year/k€	109	152

### Fossil fuel exposure

Percentage of income derived from the three fossil energies.



### Biodiversity footprint

Artificialised surface area in m<sup>2</sup> 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 97%

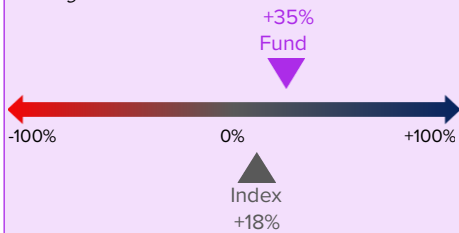
	Fund	Index
m <sup>2</sup> .MSA/k€	-37	-54

## 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 100% / index 99%



### Human rights policy

Percentage of portfolio companies that have drawn up a Human Rights policy.

Coverage rate : fund 100% / index 98%

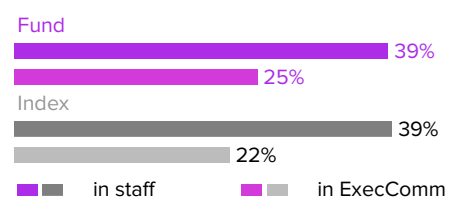


### Gender equality ♀/♂

Percentage of women in total company headcounts and executive committees.

Staff cov. rate : fund 97% / index 92%

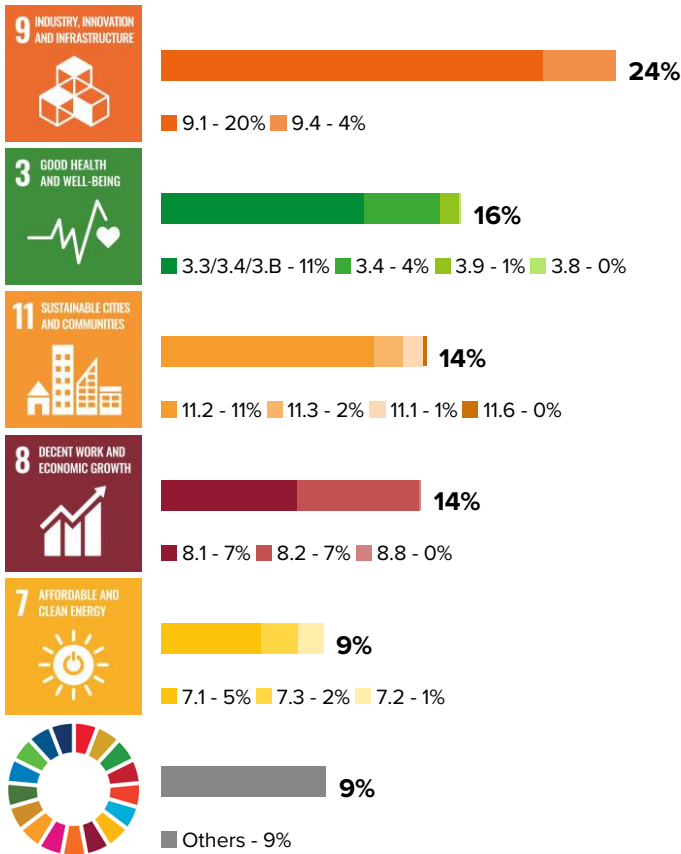
ExecComm cov. rate : fund 99% / index 96%



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, cash included.



## 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 : 19%**

## ESG follow-up, news and dialogue

### Dialogue and engagement

#### Renault

During our recent meeting with management, we discussed the circular economy within the group: 85% of the components used for vehicles manufactured by the group can be recycled. The percentage of recycled materials used in new vehicles is only 30%, as recycled materials sometimes fail to meet the technical resistance standards imposed by the group's safety criteria. Aluminium was cited as an example.

#### ESG controversies

##### L'Oréal

We held discussions with L'Oréal following the release of a BBC documentary revealing the presence of child labour in its value chain. The documentary claims that children are involved in the harvest of jasmine, used for its essential oil in a Lancôme perfume. L'Oréal had already identified potential child labour issues as early as 2023 and has set up a remedial action plan. The group has contributed to the creation of a coalition led by an NGO and the ILO to eradicate child labour in this type of harvest.

#### Votes

**2 / 2** voted general assemblies over the month.

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

#### Intesa Sanpaolo

We discussed with management the accounts transfers from Intesa Sanpaolo to Isybank. Last year, there were 1,500 claims after the move of 300,000 clients. 350,000 further clients were transferred a few months ago, without any significant number of claims: since then, processes had been improved, with a paper mail sent to all the targeted clients, even though they had indicated that they wanted to have e-mail only notifications. The group targets to transfer a total of 4 million accounts.

#### LVMH

In early June, an Italian court put a company owned by the Italian subsidiary of the French fashion house Christian Dior into administration, on claims that it had subcontracted production to Chinese companies accused of using forced labour. According to the court document, the company had failed to take "appropriate action to check the real working conditions or technical capabilities of the contracting companies". We plan to initiate a dialogue with LVMH.

Additional disclaimers: although the fund's performances are partly driven by the ESG indicators of portfolio holdings, these are not the sole determining factor. Marketing communication. This information has not been prepared in accordance with legal requirements designed to promote the independence of investment research. Sycomore AM is not banned from trading on these securities prior to the dissemination of this information. Before investing, please read the fund's KID available on our website: [www.sycomore-am.com](http://www.sycomore-am.com).