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sélection responsable (luxembourg)

JANUARY 2023

Share RD

Isin code | LU1440644612

NAV | 119.2€

Assets | 107.9 M€

SFDR 8

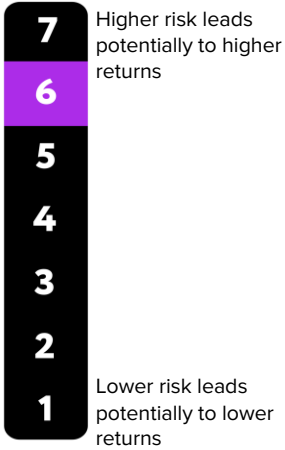
Sustainable Investments

% AUM: $\geq 70\%$

% Companies*: $\geq 70\%$

*Excluding derivatives, cash & equivalent

SRI



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



Belgium



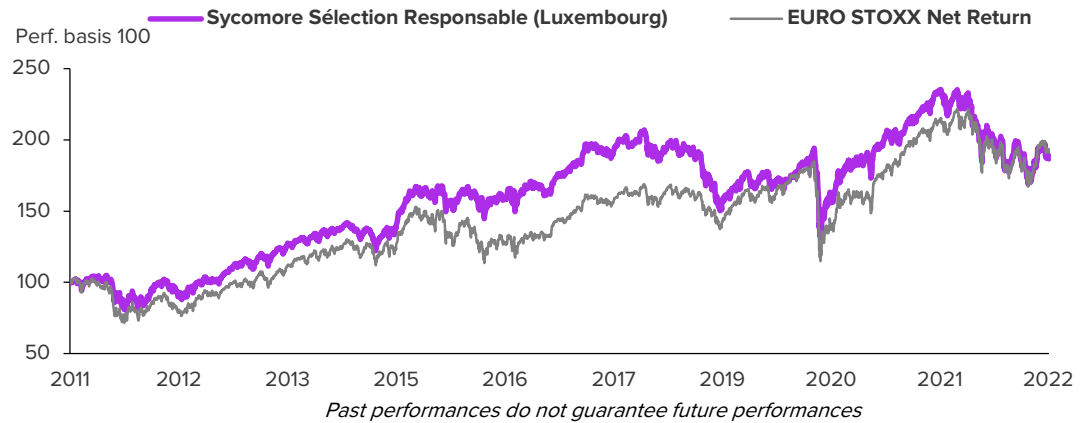
Germany

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



	Jan	2023	1 year	3 yrs	5 yrs	Inc. Annu.	2022	2021	2020	2019	
Fund %	8.8	8.8	-4.7	11.9	0.0	103.0	6.1	-19.3	14.9	10.1	18.9
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	-1.6%	20.7%	23.1%	6.4%	0.2	-0.4	-32.2%	-37.9%
Création	1.0	0.8	0.7%	16.7%	19.4%	6.2%	0.4	0.0	-36.4%	-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.

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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

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.

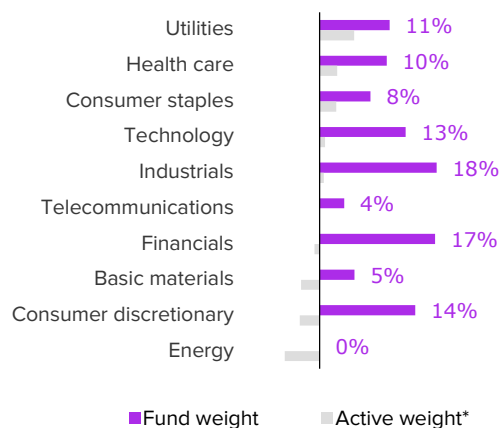
Transaction fees

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

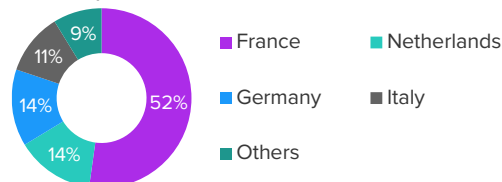


*Fund weight - weight EURO STOXX Net Return

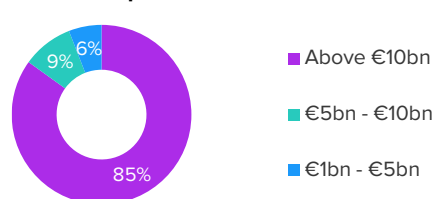
Valuation

	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%

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	3.5/5
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

Koninklijke Kpn
Banco Santander

Reinforcement

Autoliv
Bureau Veritas
Axa

Sell

Adyen

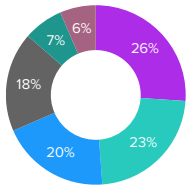
Reduction

Bnp Paribas
Straumann
Imcd

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Sustainability thematics



- Health & Safety
- Energy transition
- Digital and communication
- SPICE Leadership
- Nutrition and well-being
- Others

ESG scores

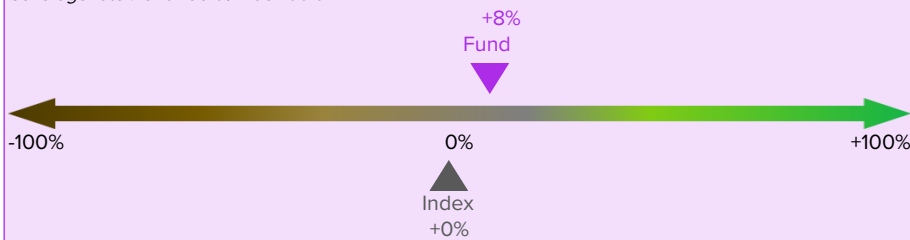
	Fund	Index
ESG*	3.6/5	3.3/5
Environment	3.6/5	3.2/5
Social	3.7/5	3.4/5
Governance	3.7/5	3.5/5

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%



European taxonomy

Turnover percentage of companies eligible to UE taxonomy

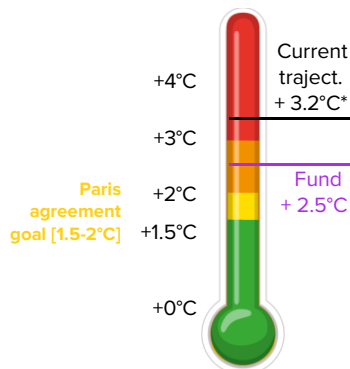
Coverage rate : fund 100% / index 99%



Temperature rising - SB2A

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

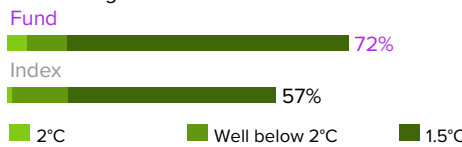
Coverage rate : fund 77%



*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

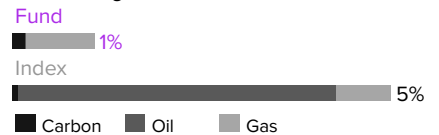
Annual greenhouse gas emissions (GHG Protocol) from upstream scopes 1, 2 and 3 per thousand euros invested***.

Coverage rate : fund 100% / index 98%

	Fund	Index
kg. eq. CO ₂ /year/k€	148	225

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.

Coverage rate : fund 100% / index 98%

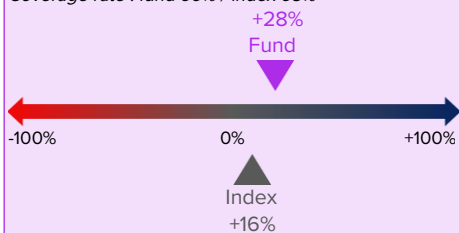
	Fund	Index
m ² .MSA/k€	-70	-66

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%



Human rights policy

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

Coverage rate : fund 100% / index 98%

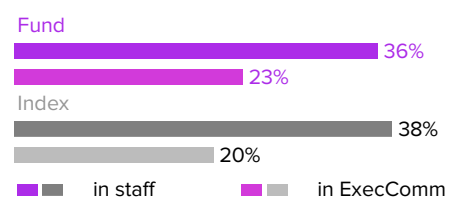


Gender equality ♀/♂

Percentage of women in total company headcounts and executive committees.

Staff cov. rate : fund 99% / index 98%

ExecComm cov. rate : fund 100% / index 99%

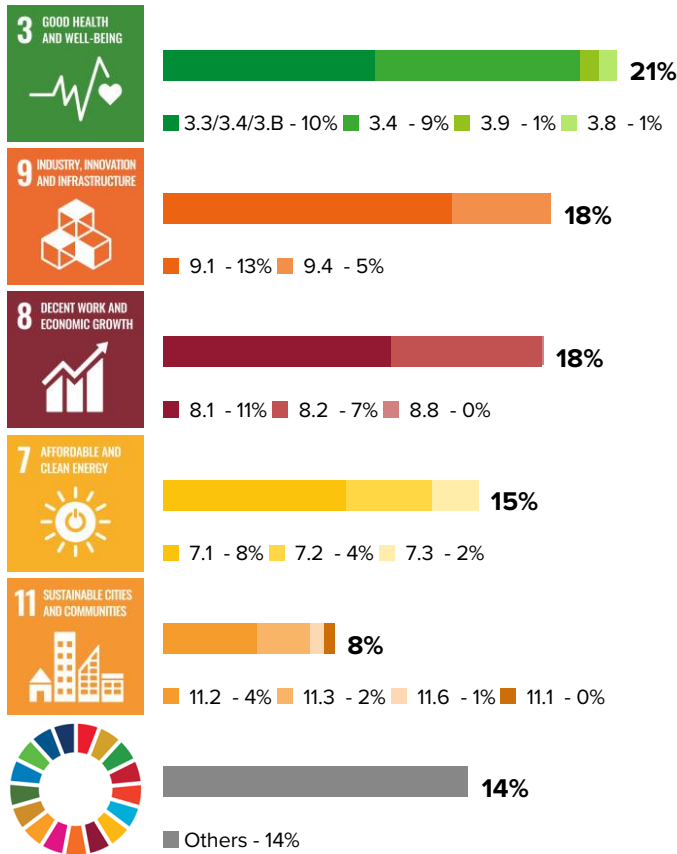


Sources: company data, Sycomore AM, Trucost, Bloomberg, Science Based Targets, Vigeo. Methodologies and approaches may differ between issuers and providers of extra-financial data. Sycomore AM does not guarantee the accuracy, completeness, and exhaustiveness of the extra-financial reports.*ESG-SPICE 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).

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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

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](#).