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sélection crédit (luxembourg)

NOVEMBER 2024

Share RC

Isin code | LU1592886094

NAV | 105.9€

Assets | 4.2 M€

SFDR 8

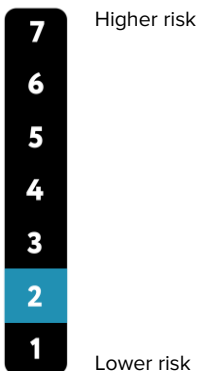
Sustainable Investments

% AUM: $\geq 50\%$

% Companies*: $\geq 50\%$

*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

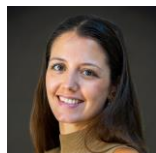
Investment Team



Stanislas de BAILLIENCOURT
Fund Manager



Emmanuel de SINETY
Fund Manager



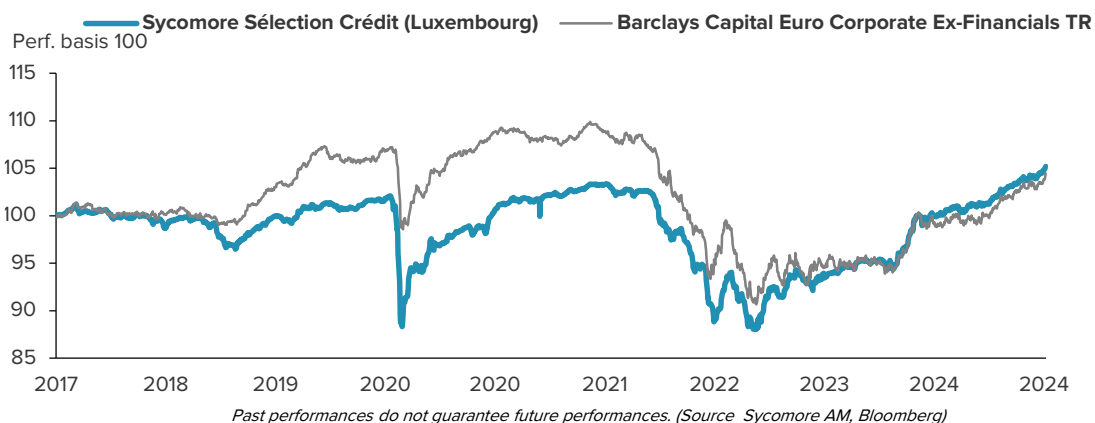
Anaïs CASSAGNES
SRI analyst

Investment strategy

A responsible and opportunistic selection of European bonds based on proprietary ESG analysis

Sycomore Sélection Crédit (Luxembourg) is a feeder of Sycomore Sélection Crédit. Sycomore Sélection Crédit aims to deliver financial returns above those of the Barclays Capital Euro Corporate ex-Financials Bonds (reinvested coupons) over a minimum investment horizon of five years, within a modified duration range of 0 to +5, by applying a socially responsible investment process. The fund also aims to outperform its benchmark on the Net Environmental Contribution (NEC) indicator and on the 3-year headcount variation indicator, to select durable companies, particularly on environmental and/or contribution to employment criteria.

Performance as of 29.11.2024



	Nov 2024	2024 1 year	3 yrs	5 yrs	Inc. Annu.	2023	2022	2021	2020		
Fund %	1.2	5.2	7.8	3.1	4.1	5.2	0.7	9.4	-10.9	1.2	-0.2
Index %	1.6	4.5	7.4	-3.1	-1.3	4.5	0.6	7.9	-13.9	-1.2	3.0

Statistics

	Corr.	Beta	Alpha	Vol. Bench.	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	Bench. DD	
Inception	0.5	0.5	0.4%	3.4%	3.9%	3.6%	0.0	0.0	-14.8%	-17.5%

Fund commentary

Donald Trump's election caused the Euro to depreciate further against the dollar, a move further fuelled by expectations of aggressive rate cuts by the ECB in 2025. US long-term yields returned to levels observed at the end of October and Eurozone sovereign yields fell. The French risk premium rose, however, to account for growing political risks. Credit spreads widened slightly on the BBB segment but narrowed in HY. The primary market remained very dynamic as many issuers took advantage of attractive conditions to refinance their debt ahead of maturity. The cable company Prysmian issued a 7-year bond with a BBB- rating bearing a coupon close to 4%, the proceeds of which will fund a takeover in the United States. We took part in this issuance. Roquette, the French producer of plant-based ingredients, launched an inaugural bond issue linked to the takeover of the pharmaceutical business of its rival IFF. We subscribed to the hybrid tranche which offers an attractive issuance premium, with a coupon of 5.5% and a BB+ credit rating.



Fund Information

Inception date

05/12/2012

ISIN codes

Share ID - LU1592885955

Share RC - LU1592886094

Bloomberg tickers

Share ID - SYCSCID LX

Share RC - SYCSCRC LX

Benchmark

Barclays Capital Euro

Corporate Ex-Financials TR

Legal form

SICAV compartiment

Domiciliation

Luxembourg

PEA eligibility

No

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 ID - 0.60%

Share RC - 1.20%

Performance fees

None - (Master fund) : 10% > benchmark

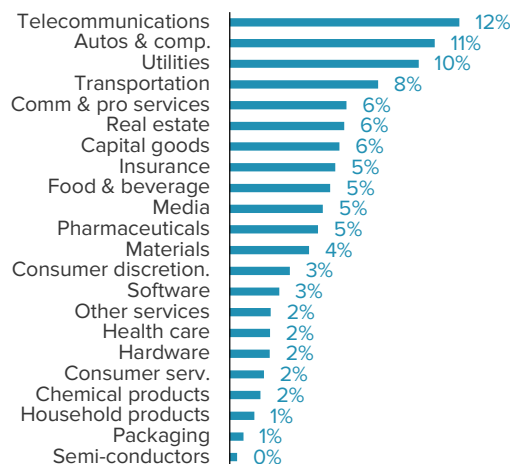
Transaction fees

None

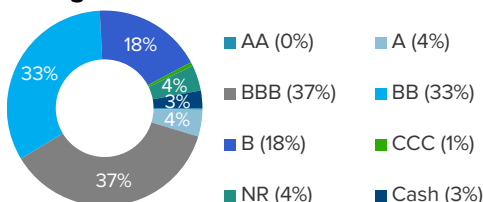
Portfolio

Exposure rate	97%
Number of bonds	224
Number of issuers	150

Sector breakdown



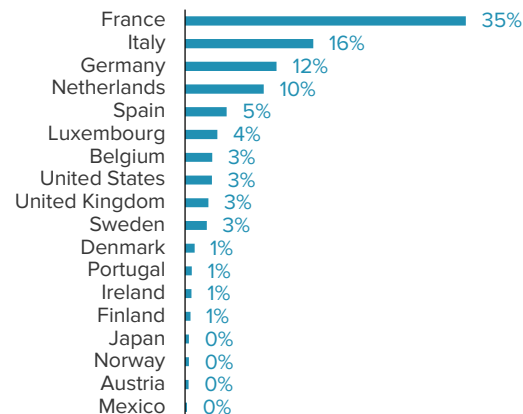
Rating breakdown



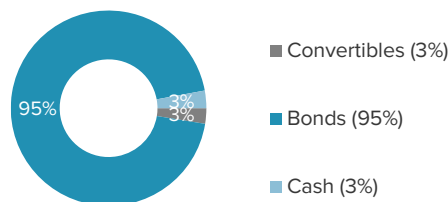
Valuation

Modified Duration	3.5
Yield to maturity	4.5%
Yield to worst	4.1%
Average maturity	3.8years

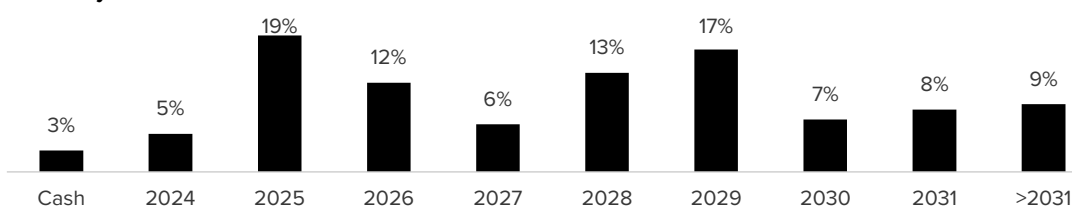
Country breakdown



Asset class breakdown



Maturity 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*.

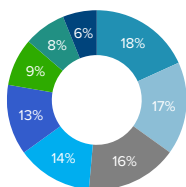
	Fund	Index
SPICE	3.4/5	3.4/5
S score	3.4/5	3.1/5
P score	3.4/5	3.5/5
I score	3.4/5	3.5/5
C score	3.5/5	3.2/5
E score	3.3/5	3.2/5

Main issuers	Weight	Sector	SPICE rating	Sustainable theme
Veolia	2.8%	Utilities	3.9/5	Sustainable mgmt of resources
Renault	2.7%	Autos & Comp.	3.5/5	Energy transition
Tdf	2.3%	Telecommunications	3.4/5	Access and Inclusion
Autostrade Per L Italia	2.3%	Transportation	3.3/5	Access and Inclusion
Loxam	2.1%	Comm & pro services	3.8/5	SPICE Leadership

The fund offers no guarantee of return or performance and presents a risk of capital loss. Past performance is not indicative of future performance. Before investing, first consult the FUND's KIID available on our www.sycomore-am.com website. *To learn more about SPICE, see our [ESG Integration and Shareholder Engagement Policy](#). (NEC = Net Environmental Contribution / CS = Societal Contribution / TGJR = The Good Job Rating)



Sustainability thematics



- Digital and communication
- Energy transition
- SPICE transformation
- Access and Inclusion
- Health & Safety
- SPICE Leadership
- Sustainable mgmt of resources
- Nutrition and well-being

ESG criteria

ESG eligibility (% of eligible bonds) **45%**

ESG scores

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

ESG best scores

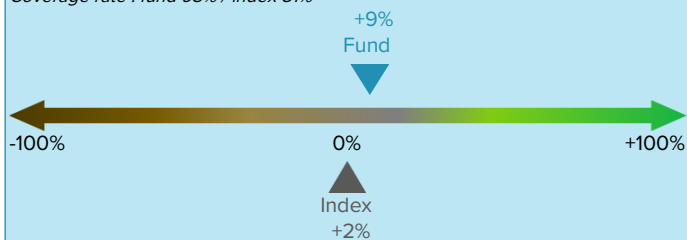
	ESG	E	S	G
Veolia	4.0/5	4.2/5	4.1/5	3.7/5
Veolia	4.0/5	4.2/5	4.1/5	3.7/5
Orsted	4.2/5	4.6/5	4.2/5	3.7/5
Erg	4.3/5	4.8/5	4.1/5	4.1/5
Neoen	4.0/5	4.5/5	3.7/5	3.9/5

Environmental analysis

Net Environmental Contribution (NEC)**

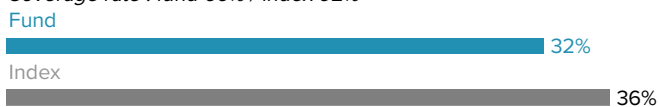
Degree of alignment of economic activities with the ecological transition, integrating biodiversity, climate and resources, on a standard scale from -100% for total misalignment to +100% for complete alignment, where 0% corresponds to the world economy average. The results are calculated by Sycomore AM or by the nec-initiative.org based on data for the years 2022 to 2024 according to NEC 1.0 or 1.1.

Coverage rate : fund 93% / index 81%



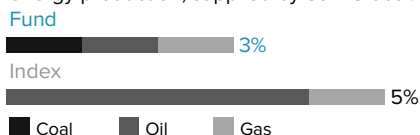
European taxonomy

Share of EU taxonomy-eligible company revenues provided by MSCI.
Coverage rate : fund 66% / index 92%



Fossil fuel exposure

Share of revenues from activities linked to fossil fuels from upstream to energy production, supplied by S&P Global.



Carbon footprint

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

Coverage rate : fund 49% / index 88%

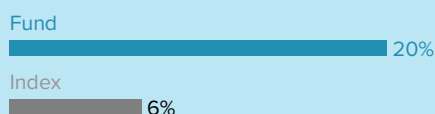
	Fund	Index
kg. eq. CO ₂ /year/k€	1006	879

Societal and social analysis

Staff growth**

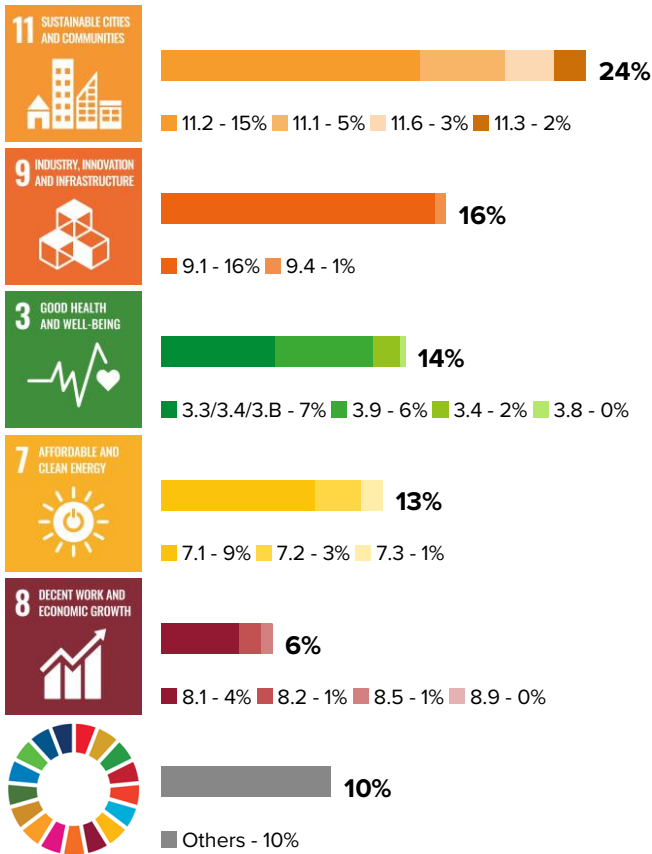
Cumulated growth in company headcounts over the past three financial years (data unadjusted in the event of acquisitions, excluding transformational deals).

Coverage rate : fund 81% / index 91%





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 : 26%

ESG follow-up, news and dialogue

Dialogue and engagement

Criteria Caixa

We asked for more information on Criteria Caixa's investment policy, notably its environmental policy, and on the monitoring of employee satisfaction. We would welcome more transparency on these items. We also asked how ESG issues were monitored by the group's governance bodies and recommended offering board members training on these topics.

ESG controversies

Schaeffler

Schaeffler intends to re-localise some of its production and therefore close two sites - involving the loss of 4,700 jobs, in response to difficulties within the industry.

Renault

During our talks with management, we addressed the difficulty, for car manufacturers, to attain the CAFE standards in 2025 (emissions criteria for CO2/km/vehicle sold) in light of weak sales within the EV segment. To avoid being fined, car manufacturers may have to lower the price of EVs and/or cut their production of combustion-engine cars, and/or purchase carbon credits from US or Chinese car industry players.

ERG

We had a reassuring discussion with ERG following the reveal of an Italian Authorities' investigation on several Italian companies for espionage. ERG confirmed it is not under investigation. Its name was in the press because they have worked with Equalize (under investigation) in 2023 to help conduct an internal investigation. Equalize had to sign all ERG's relevant documents such as their code of ethics and data privacy policy and ERG was not aware of their potential wrongdoings at the time.

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.