



sycomore
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sycomore social impact

JANUARY 2023

Share A

Isin code | FR0007073119

NAV | 394.0€

Assets | 273.8 M€

SFDR 9

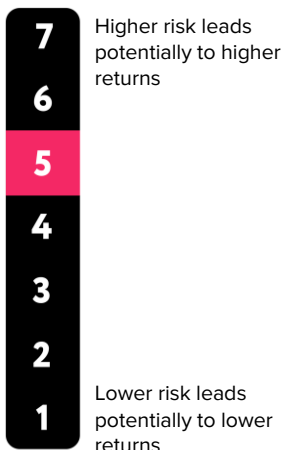
Sustainable Investments

% 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



Frédéric
PONCHON
Fund Manager



France



Belgium



Austria



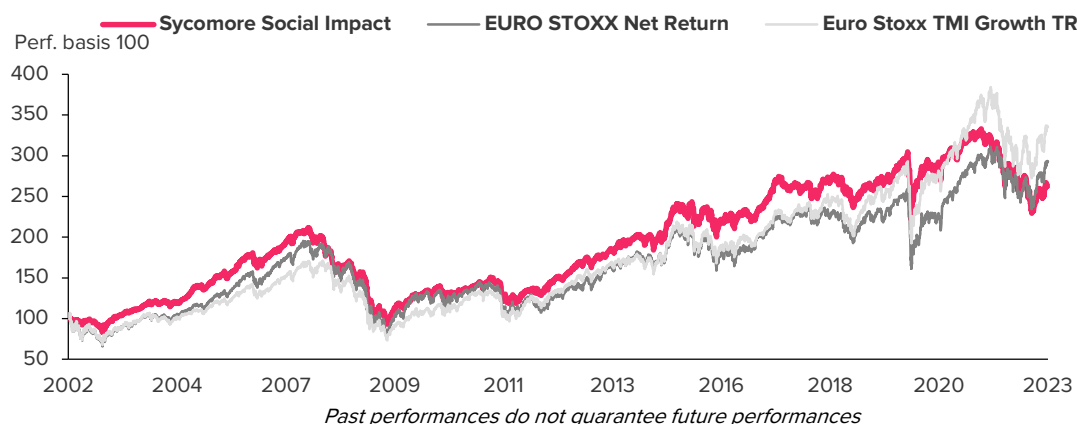
Germany

Investment strategy

A selection of growth securities with a positive societal impact

Sycomore Social Impact is a Eurozone equity fund that focuses on companies of any size that offer solutions to global societal challenges, and that have embedded this pursuit of positive impacts into their strategy to deliver profitable and sustainable growth. The fund aims to outperform the benchmark, the Euro Stoxx Total Return index, through a socially responsible investment process. Stock selection is based on our proprietary SPICE methodology, notably on the societal contribution of products & services indicator.

Performance as of 31.01.2023



	Jan 2023	1 year	3 yrs	5 yrs	Inc. Annu.	2022	2021	2020	2019
Fund %	5.3	-11.7	-8.8	-0.5	162.6	4.8	-21.1	4.8	4.1
Index %	9.3	-0.4	19.9	25.6	192.7	5.3	-12.3	22.7	0.2

Statistics

	Corr.	Beta	Alpha	Vol.	Bench. Vol	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	Bench. DD
3 years	0.9	0.6	-7.3%	15.9%	23.0%	10.5%	-0.2	-0.9	-31.1%	-37.9%
Création	0.9	0.6	1.4%	13.4%	21.1%	11.0%	0.3	0.0	-56.0%	-60.2%

Fund commentary

Markets rebounded sharply in January, supported by the reopening in China and the double conviction that inflation has peaked, and that the economic slowdown will ultimately be milder than feared. Against this renewed "risk-on" backdrop, defensive stocks underperformed as investors rotated into cyclicals and financials. Pharmaceutical companies, including Sanofi, AstraZeneca, Roche and Novartis, for example, posted either negative or close to zero returns. Conversely, small and mid-caps (Unifiedpost, Sol, Believe, Cancom) were popular with by investors and began to catch up, a trend that could extend into 2023. Highlights included Shop Apotheke, Germany's leading on-line chemists, which published strong preliminary Q4 results and a robust increase in market share after a challenging year for the stock in 2022.



Fund Information

Inception date

24/06/2002

ISIN codes

Share A - FR0007073119
Share I - FR0010117085
Share ID - FR0012758704
Share R - FR0010117093

Bloomberg tickers

Share A - SYSYCTE FP
Share I - SYCMTWI FP
Share ID - SYMTWD FP
Share R - SYSMTWR FP

Benchmark

EURO STOXX Net Return

Legal form

Mutual fund

Domiciliation

France

PEA eligibility

Yes

Investment period

5 yrs

Minimum investment

100 EUR

UCITS V

Yes

Valuation

Daily

Currency

EUR

Cut-Off

12pm CET Paris (BPSS)

Cash Settlement

T+2

Management fees

Share A - 1.50%
Share I - 1.00%
Share ID - 1.00%
Share R - 2.00%

Performance fees

15% > Benchmark

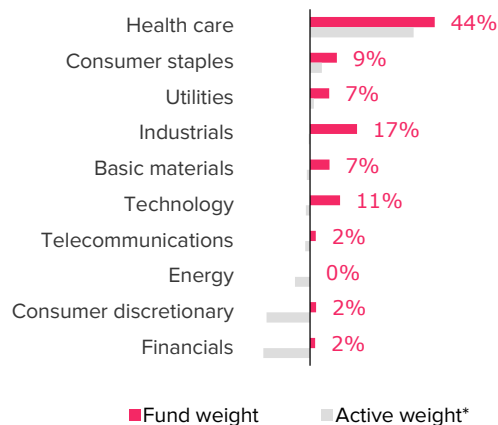
Transaction fees

None

Portfolio

Equity exposure	92%
Overlap with benchmark	15%
Number of holdings	59
Weight of top 20 stocks	58%
Median market cap	15.2 €bn

Sector exposure

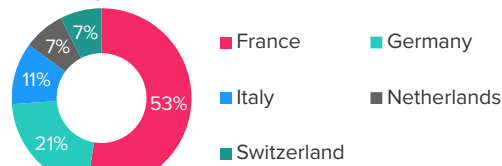


*Fund weight - weight EURO STOXX Net Return

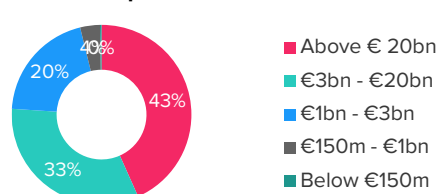
Valuation

	Fund	Index
2023 PER	15.8x	12.7x
2023 EPS growth	8.4%	8.5%
2023 P/BV ratio	1.7x	1.5x
Return on Equity	10.9%	11.9%
2023 Dividend Yield	2.2%	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	3.7/5	3.5/5
S score	3.4/5	3.2/5
P score	3.5/5	3.5/5
I score	3.7/5	3.7/5
C score	3.7/5	3.6/5
E score	3.5/5	3.2/5

Top 10

	Weight	SPICE rating	CS
Sanofi	7.9%	3.2/5	83%
Air Liquide	4.8%	4.1/5	10%
Veolia	3.6%	3.7/5	43%
Qiagen	3.6%	3.3/5	75%
Merck	3.5%	3.3/5	64%
SAP	3.4%	4.1/5	20%
Schneider E.	3.2%	4.3/5	37%
Elis	2.9%	3.7/5	15%
Kerry Group	2.9%	3.8/5	18%
ASML	2.8%	4.3/5	27%

Performance contributors

	Avg. weight	Contrib
Positive		
Air Liquide	5.5%	0.57%
ASML	3.0%	0.55%
Veolia	4.1%	0.52%
Negative		
Synlab AG	1.7%	-0.20%
Qiagen	3.8%	-0.15%
BioMérieux	2.4%	-0.11%

Portfolio changes

Buy

Lonza
Alfen Nv

Reinforcement

Merck Kgaa
Prysmian
Erg

Sell

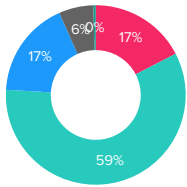
Va-Q-Tec

Reduction

Novartis Ag-Reg
Air Liquide
Sap



Sustainability thematics



- Digital and communication
- Health & Safety
- Sustainable lifestyles
- Nutrition and well-being
- Education

ESG scores

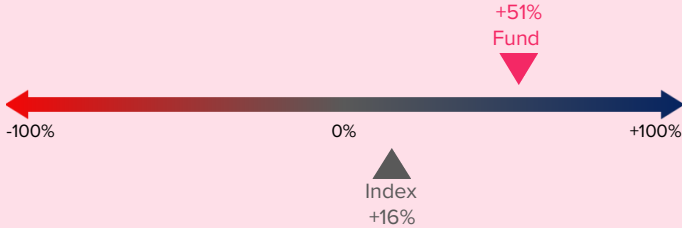
	Fund	Index
ESG*	3.5/5	3.3/5
Environment	3.5/5	3.2/5
Social	3.5/5	3.4/5
Governance	3.5/5	3.5/5

Societal and social analysis

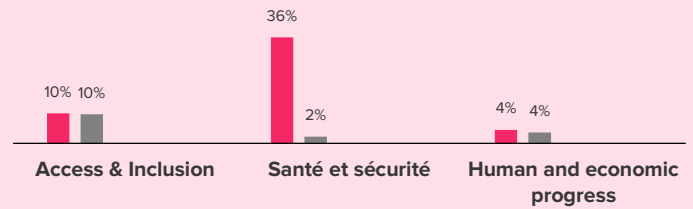
Societal contribution **

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%



Pillar breakdown

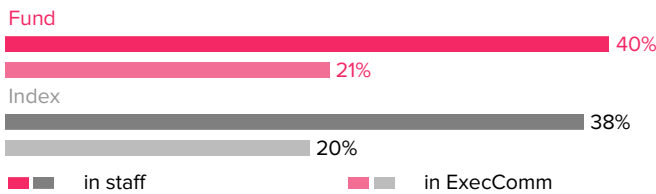


Gender equality ♀/♂

Percentage of women in total company headcounts and executive committees.

Staff coverage rate : fund 97% / index 98%

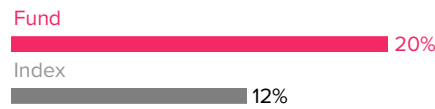
ExecComm coverage rate : fund 99% / index 99%



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 99% / index 98%



The Good Jobs Rating

Degree to which companies contribute to the creation of sustainable and quality jobs, accessible to the greatest number, particularly in regions, countries or territories most in need.

Coverage rate : fund 96% / index 89%

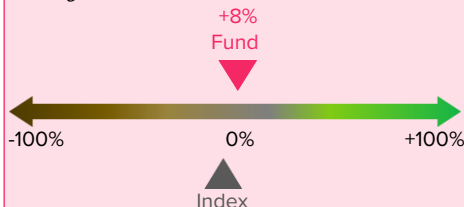


Environmental analysis

Net Environmental Contribution (NEC)**

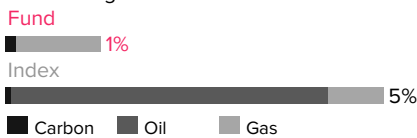
Degree of alignment of the economic models with the ecological transition, integrating biodiversity and climate, on a scale running from -100% for eco-obstruction to +100% for eco-solution, where 0% equates to the average environmental impact of the global economy. The results are expressed in NEC 1.0 (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 ■ Oil ■ Gas

Carbon footprint

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

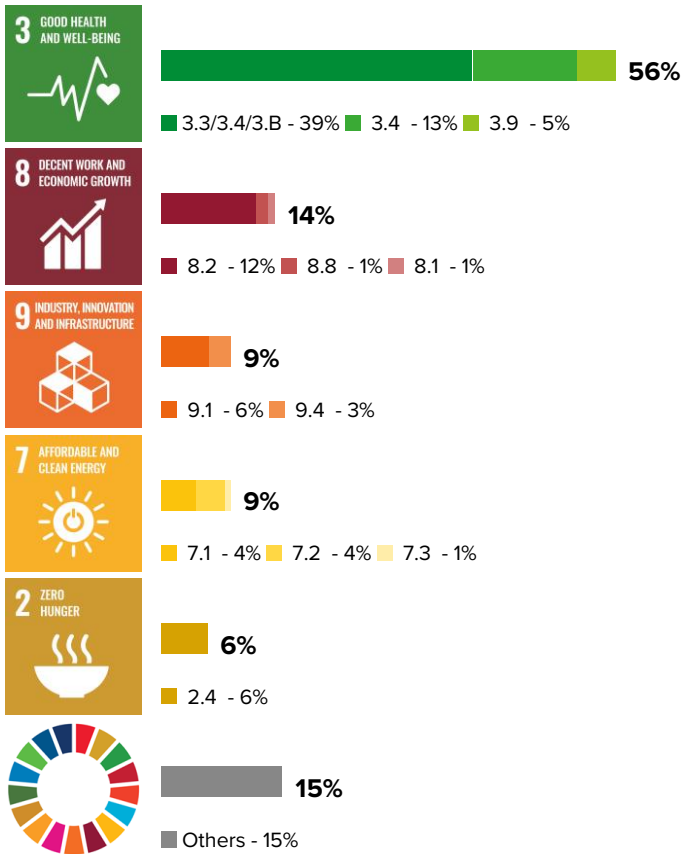
Coverage rate : fund 98% / index 98%

	Fund	Index
kg. eq. CO ₂ /year/k€	116	225

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



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 : 11%

ESG follow-up, news and dialogue

Dialogue and engagement

Korian

During our meeting with the Chairman of the Board, Jean-Pierre Duprieu, we made several recommendations for improvement. These touched upon the competencies of the Board, how its members are evaluated and remunerated, transparency on the qualitative criteria used to determine the directors' variable compensation, and the monitoring, definition and reporting of the issues requiring structural advancement within the industry (staffing ratios, monitoring of abuse...)

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 and 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

Korian

One year after the publication of Victor Castanet's book, Les Fossoyeurs (the Gravediggers), ten new chapters were released in January 2023. Korian and Orpéa also replied to an investigation led by JDD which identified the changes that were made. At the time, Korian disclosed its 15 point programme covering issues such as training, better communication with families, mediation etc. Ces nouveaux éléments ne remettent pas en question notre évaluation de la controverse et le maintien de notre action d'engagement auprès de Korian.

Compugroup

At the end of November 2022, Compugroup announced it had acquired GHG, previously owned by the son of Frank Gotthard's CEO. This transaction caught our attention and we asked the company for additional information, which was provided and considered to be coherent.

Votes

1 / 1 voted general assembly over the month.

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