



**sycomore**  
am

# sycomore next generation

JANUARY 2023

Share IC

Isin code | LU1961857478

NAV | 101.5€

Assets | 420.5 M€

## SFDR 8

### Sustainable Investments

% AUM: ≥ 25%

% Companies\*: ≥ 50%

\*Excluding derivatives, cash & equivalent

## SRRI

7

Higher risk leads potentially to higher returns

6

5

4

3

2

1

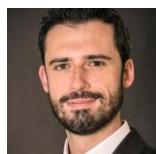
Lower risk leads potentially to lower returns

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

## Investment Team



**Stanislas de BAILLIENCOURT**  
Fund Manager



**Alexandre TAIEB**  
Fund Manager



**Emmanuel de SINETY**  
Fund Manager



**Ariane HIVERT**  
SRI analyst



France

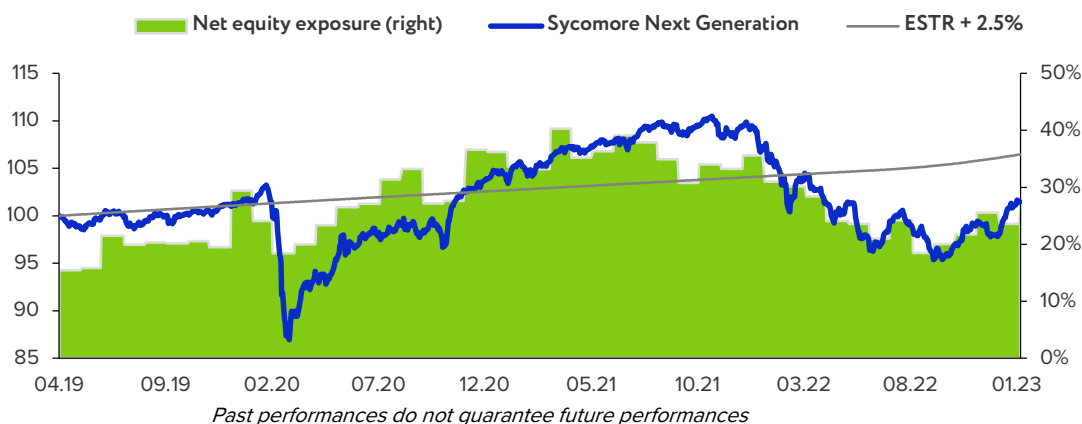


Belgium

## Investment strategy

Sycomore Next Generation is a flexible, multi-asset SRI fund that combines Sycomore's proven expertise in responsible stock and bond picking and international asset allocation, to achieve performance and diversification. The fund's investment process draws from a thorough fundamental analysis, combined with the ESG analysis of companies and countries, with an additional macroeconomic overlay. Managed actively, the fund's exposure to equities (0-50%) and fixed income (0-100%) - including corporate and sovereign debt - is designed to enhance its risk-return profile, to achieve steady capital growth. Employing a multi-themed SRI approach, the fund seeks to invest in companies addressing social, environmental, and technological challenges as highlighted by the United Nations' Sustainable Development Goals, for the generations to come.

## Performance as of 31.01.2023



	Jan 2023	1 year	3 yrs	Inc. Annu.	2022	2021	2020
Fund %	3.7	-5.4	0.2	1.5	-10.6	5.3	2.8
Index %	0.3	2.2	5.2	6.5	1.7	1.4	1.5

## Statistics

	Corr.	Beta	Alpha	Vol.	Sharpe Ratio	Info Ratio	Draw Down	Sensi.	Yield to mat.	Yield to worst
3 years	0.9	0.3	-1.9%	6.5%	0.1	-0.4	-15.8%			
<b>Création</b>	0.9	0.3	-1.6%	5.9%	0.1	-0.4	-15.8%	1.2	6%	5%

## Fund commentary

The year began with an upbeat news flow: a sharp drop in gas prices, ebbing inflation, and reopening in China - which has triggered high hopes of an economic rebound in the region. In Europe, the risk of power outages affecting the manufacturing industry has now abated, thereby largely improving the outlook for 2023. Similarly, the economic slowdown in the US is slow to materialise, pushing back the likelihood of a recession by several months. The first earnings reported by our portfolio companies also came in stronger than expected (ASML, STMicroelectronics, Christian Dior). Cyclical companies enjoyed a strong run (Faurecia, Aurubis), as did the financials held within the fund (BNP, Société Générale, Allianz, Axa).



## Fund Information

### Inception date

29/04/2019

### ISIN codes

Share IC - LU1961857478  
Share ID - LU1973748020  
Share RC - LU1961857551

### Bloomberg tickers

Share IC - SYCNXIE LX  
Share ID - SYCNXID LX  
Share RC - SYCNXRE LX

### Benchmark

ESTR + 2.5%

### Legal form

SICAV compartment

### Domiciliation

Luxembourg

### PEA eligibility

No

### Investment period

3 yrs

### Minimum investment

None

### UCITS V

Yes

### Valuation

Daily

### Currency

EUR

### Cut-Off

11am CET Paris (BPSS LUX)

### Cash Settlement

T+2

### Management fees

Share IC - 0.80%  
Share ID - 0.80%  
Share RC - 1.60%

### Performance fees

15% > Benchmark

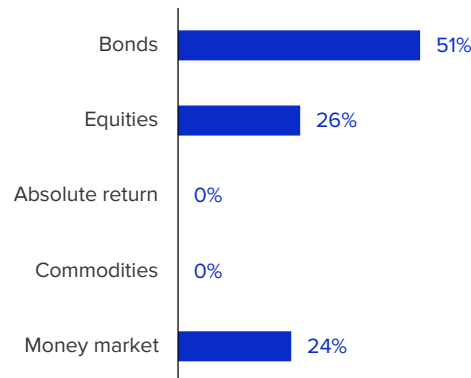
### Transaction fees

None

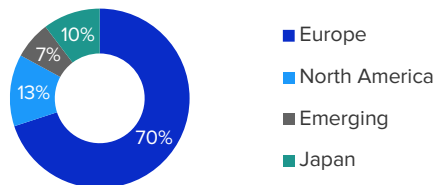
## Equities

Number of holdings 45  
Weight of top 20 stocks 15%

## Asset class breakdown



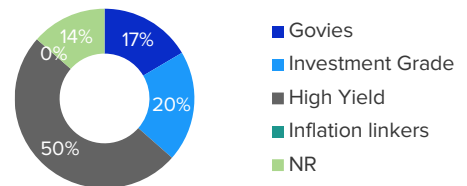
## Equity country breakdown



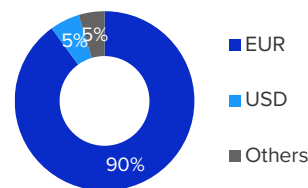
## Bonds

Number of bonds 114.0  
Number of issuers 66.0

## Bond allocation



## Currency 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	3.5/5
S score	3.2/5	3.2/5
P score	3.4/5	3.5/5
I score	3.4/5	3.7/5
C score	3.6/5	3.6/5
E score	3.4/5	3.2/5

## Performance contributors

Positive	Avg. weight	Contrib	Negative	Avg. weight	Contrib
STMicroelec.	0.89%	0.24%	Korian 1.875% Perp	0.57%	-0.06%
BNP Paribas	1.08%	0.19%	Pfizer	0.24%	-0.05%
ASML	0.79%	0.15%	EDP Renovaveis	0.19%	-0.03%

## Direct Equities

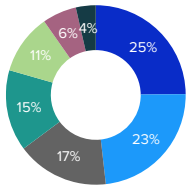
	Weight	SPICE rating	NEC score	CS score
Eni	1.2%	3.0/5	-12%	3%
Société Générale	1.0%	3.0/5	0%	18%
STMicroelec.	1.0%	3.9/5	11%	27%
BNP Paribas	1.0%	3.4/5	0%	12%
Stellantis	0.9%	3.3/5	6%	6%

## Bond holdings

	Weight
Italy 4.5% 2023	3.1%
Picard 3.875% 2026	1.4%
Eramet 5.875% 2025	1.4%
Piaggio 3.625% 2025	1.2%
Groupama 6.375% Perp	1.2%



## Sustainability thematics



- SPICE transformation
- Digital and communication
- SPICE Leadership
- Health & Safety
- Energy transition
- Sustainable mgmt of resources
- Others

## ESG scores

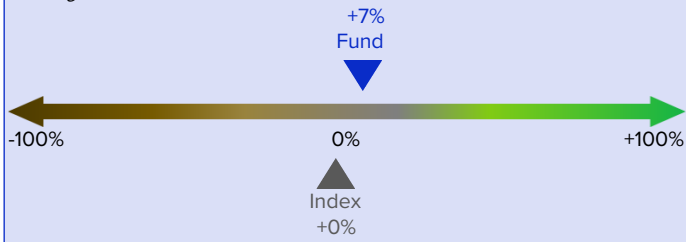
	Fund
<b>ESG*</b>	<b>3.3/5</b>
Environment	3.4/5
Social	3.4/5
Governance	3.3/5

## 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](http://nec-initiative.org)) scores calculated by Sycomore Asset Management on the basis of data collected from 2018 to 2021.

Coverage rate : fund 98% / index 99%



### European taxonomy

Turnover percentage of companies eligible to UE taxonomy

Coverage rate : fund 81%



### Climate alignment - SBTi

Share of companies that have validated their greenhouse gas reduction targets with the Science-Based Targets initiative.

Fund



Index



- 2°C
- Well below 2°C
- 1.5°C

### Fossil fuel exposure

Percentage of income derived from the three fossil energies.

Fund



Index



- 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 70%



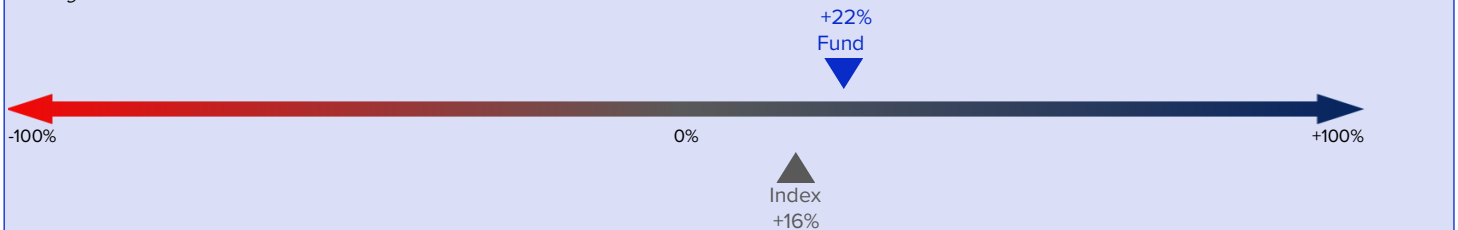
kg. eq. CO<sub>2</sub> /year/k€

## 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%.

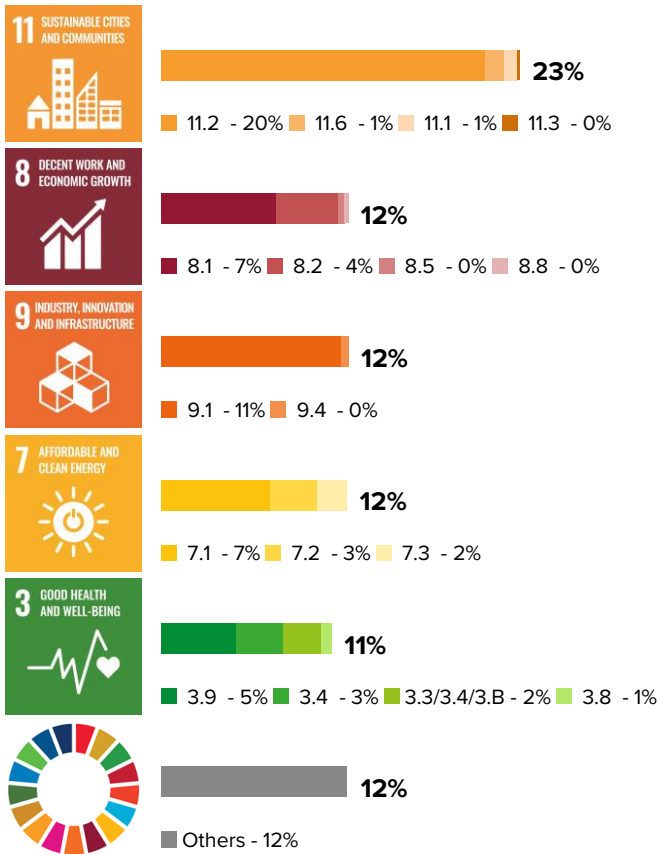
Coverage rate : fund 84% / index 93%



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 Euro Stoxx 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 : 29%**

## ESG follow-up, news and dialogue

### Dialogue and engagement

#### 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.

#### Engie

Ahead of Engie's AGM which will take place on April 26th 2023, we have re-engaged the Group on its climate and biodiversity strategy by sending a letter to M. Clamadieu, Chairman of the Board, signed by a coalition of investors of which we are members.

### ESG controversies

#### Stellantis

An investigation by Sheffield Hallam University has reported ties between the automotive supply chain and companies implicated with forced labour among the Uyghur minorities in China. The issue of Uyghur forced labour orchestrated by the Chinese government is complex and affects many European value chains. We are addressing the issue as members of an investor coalition initiated by the French Sustainable Investment Forum and are particularly involved in the engagement with Stellantis.

### Votes

**1 / 1** voted general assembly over the month.

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