sycomore **sustainable tech**

SEPTEMBER 2024

Share IC   **Isin code | LU2181906269**   **NAV | 154.8€**   **Assets | 306.6 M€**

SFDR 9

Sustainable Investments

% AUM:	≥ 80%
% Companies*:	100%

*Excluding derivatives, cash & equivalent

Risk indicator

7	Higher risk
6	
5	
4	
3	
2	
1	Lower risk
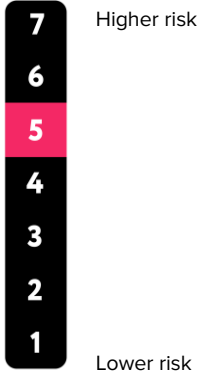
The risk indicator assumes you keep the product for 5 years. **Warning :** the actual risk can vary significantly if you cash in at an early stage and you may get back less.

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

Investment Team

David RAINVILLE
Fund Manager

Luca FASAN
Fund Manager

Marie VALLAEYS
SRI analyst

Label ISR · INVESTISSEMENT SOCIALEMENT RESPONSABLE
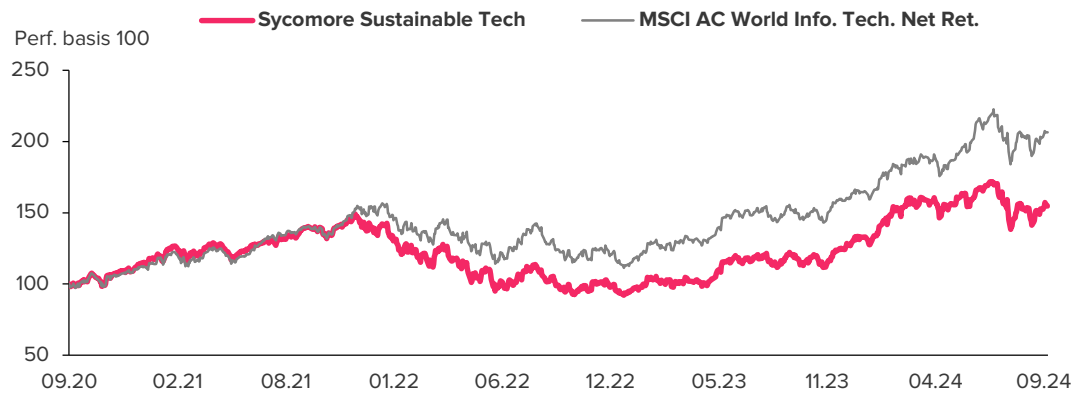RÉPUBLIQUE FRANÇAISE

INITIATIVE **TIBI**

France   France

Investment strategy

A selection of global responsible technology players

Sycomore Sustainable Tech invests in technology companies listed on international markets and employs an innovative SRI process. Stocks are selected with no regional or market capitalisation constraints. The ESG approach focuses on three dimensions: 1- "Tech for Good": for goods and services with positive social or environmental impacts; 2- "Good in Tech": for a responsible use of goods and services that will reduce negative externalities impacting individuals or the environment; 3-"Improvement Enablers": companies engaged in making progress in the two previous dimensions.

Performance as of 30.09.2024

Perf. basis 100

Sycomore Sustainable Tech   MSCI AC World Info. Tech. Net Ret.

Past performances do not guarantee future performances. (Source Sycomore AM, Bloomberg)

	Sep	2024	1 year	3 yrs	Inc.	Annu.	2023	2022	2021
Fund %	0.8	16.5	34.2	14.7	54.8	11.4	42.8	-33.9	22.1
Index %	1.0	25.2	40.8	53.5	106.5	19.5	46.2	-26.7	36.7

Statistics

	Corr.	Beta	Alpha	Vol.	*Bench. Vol*	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	*Bench. DD*
1 year	0.9	1.0	-5.9%	22.3%	*19.9%*	8.3%	1.4	-0.8	-25.1%	*-17.4%*
Inception	0.9	1.0	-6.3%	22.0%	*21.1%*	8.1%	0.5	-1.0	-38.3%	*-29.0%*

Fund commentary

September was a month of two halves. Investors came back from Labor Day weekend and sold equities as September is traditionally a negative month for risk, which was accentuated by US election-year uncertainty. Semis dropped a difficult -12% in the first week of the month but have now bounced back +16% from their monthly lows. Our software sleeve, as hoped, did help dampen some of the volatility with -4% draw down that same week (which was in line with the S&P500 - outperforming its beta significantly). Stock-wise, Esker, a Lyon-based software company, announced that it was going private with a PE take-out, contributing positively to the fund. Micron, Gitlab and ServiceNow were the other top contributors to the fund. ASML, Workday and Confluent contributed negatively to performance. We continue to be bullish regarding the AI value chain (semis and hardware) but are also starting to more actively position ourselves back in Software as we find the valuations attractive, supported by an increasingly active take-private bid out there. We also see software estimates revisions approaching cycle trough - we therefore believe the sector should start outperforming (software is up only +6% in 2024 so far vs. semis +27% vs. S&P 500 +22%).

---

sycomore sustainable tech

Fund Information

Inception date
09/09/2020

ISIN codes
Share AC - LU2331773858
Share FD - LU2211504738
Share IC - LU2181906269
Share RC - LU2181906426
Share RD - LU2181906699

Bloomberg tickers
Share AC - SYSTAEA LX
Share FD - SYSSTFE LX
Share IC - SYSTIEC LX
Share RC - SYSTREC LX
Share RD - SYSTRED LX

Benchmark
MSCI AC World Info. Tech. Net Ret.

Legal form
SICAV compartment

Domiciliation
Luxembourg

PEA eligibility
No

Investment period
5 yrs

Minimum investment
None

UCITS V
Yes

Valuation
Daily

Currency
EUR

Cut-Off
11am CET Paris (BPSS LUX)

Cash Settlement
D+2

Management fees
Share AC - 1.50%
Share FD - 0.75%
Share IC - 1.00%
Share RC - 2.00%
Share RD - 2.00%
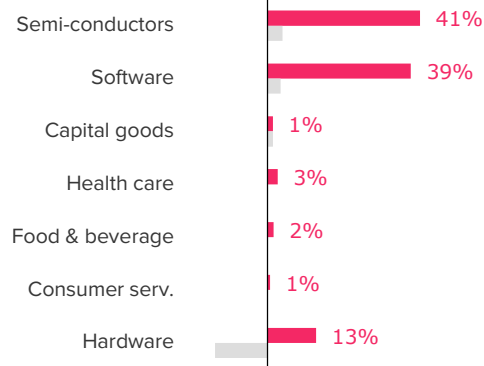
Performance fees
15% > Benchmark

Transaction fees
None

Portfolio

Equity exposure	96%
Overlap with benchmark	35%
Number of holdings	38
Weight of top 20 stocks	74%
Median market cap	103.1 €bn

Sector exposure

Fund weight - weight MSCI AC World Info. Tech. Net Ret.

Valuation

	Fund	Index
2025 Sales Growth	22.6%	18.2%
2025 P/E ratio	34.0x	28.0x
2025 EPS growth	32.6%	23.8%
2025 Operating margin	33.1%	38.9%
2025 PEG ratio	1.7x	1.8x
2025 P/Sales ratio	8.4x	9.4x

Country breakdown

- Taiwan
- Netherlands
- United States
- Others

Market cap breakdown

- Above €250bn (39%)
- €50Bn to €250Bn (22%)
- €20Bn to €50Bn (12%)
- €10bn to €20bn (6%)
- €5bn to €10bn (17%)
- Below €5bn (3%)
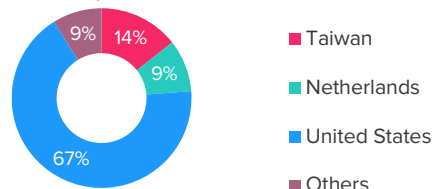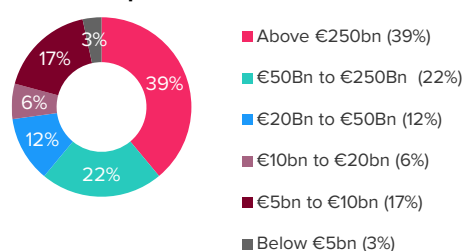
SPICE, for Society & Suppliers, People, Investors, Clients, Environment is our tool for assessing a company's performance on sustainability criteria. This tool incorporates the analysis of economic, governance, environmental, social, and societal risks and opportunities covering both the company's daily 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	3.4/5	2.8/5
P score	3.5/5	3.2/5
I score	3.8/5	3.9/5
C score	3.8/5	3.6/5
E score	3.2/5	3.2/5

Top 10

	Weight	SPICE rating	NEC	CS
Microsoft	8.4%	4.0/5	+3%	24%
Nvidia	7.9%	3.7/5	-9%	17%
ASML	7.2%	4.1/5	+6%	27%
Taiwan semi.	6.9%	3.7/5	-4%	19%
Workday	4.8%	3.9/5	+3%	13%
Broadcom ltd	4.2%	3.1/5	0%	31%
Procore Tech.	3.7%	3.6/5	+10%	30%
Micron Tech.	2.8%	3.3/5	+7%	35%
Asia Vital Comp.	2.8%	3.4/5	-3%	31%
Servicenow	2.7%	3.9/5	+2%	13%

Performance contributors

	Avg. weight	Contrib
Positive		
Gitlab inc-cl a	2.3%	0.85%
Micron Tech.	4.3%	0.43%
Taiwan semi.	6.8%	0.29%
Negative		
ASML	6.8%	-0.64%
Workday	5.1%	-0.45%
Mongodb inc	2.9%	-0.23%

Portfolio changes

Buy	Reinforcement	Sell	Reduction
Coherent	Procore Tech.	Esker	Micron Tech.
	Veeva systems	STMicroElec.	Astera labs inc
	Mongodb inc		Vertiv

sycomore sustainable tech

Responsible Tech Dimensions

	Tech For Good	Good in Tech	Improvement enabler
	CS ≥ 10% or NEC > 0%	Client risk score ≥ 3/5	SD* Management score ≥ 3/5
Number of holdings	38	35	29
Weight	100%	87%	80%

*SD : Sustainable development

ESG scores

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

Environmental analysis

Net Environmental Contribution (NEC)

Degré d'alignement des modèles économiques avec la transition écologique, intégrant biodiversité et climat, sur une échelle de -100%, pour éco-obstruction, à +100%, pour éco-solution, où le 0% correspond à l'impact environnemental moyen de l'économie mondiale. Les résultats sont exprimés en scores de NEC 1.0 (nec-initiative.org) calculés par Sycomore AM sur la base de données des années 2018 à 2021.
Coverage rate : fund 100% / index 93%

+2% Fund

-100%   0%   +100%

Index +0%

European taxonomy

Percentage of revenues derived from eligible activities to the EU taxonomy
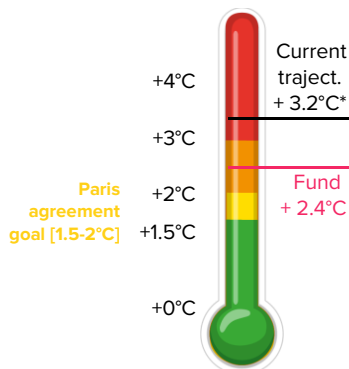*Coverage rate : fund 99% / index 100%*
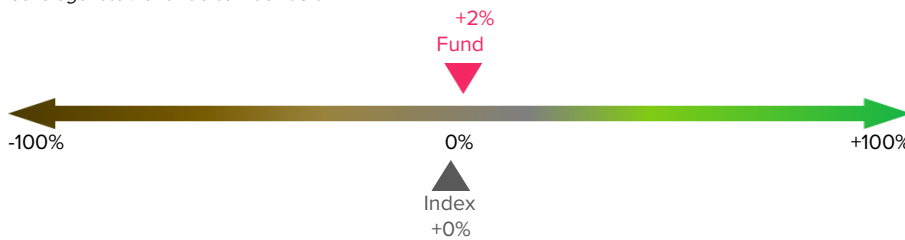
Fund 57%
Index 74%

Temperature rising - SB2A

Induced average temperature increase by 2100 compared to pre-industrial times, according to the Science-Based 2°C Alignment methodology.
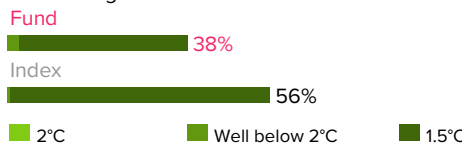*Coverage rate : fund 53%*

+4°C
+3°C — Current traject. + 3.2°C*
+2°C — Fund + 2.4°C
Paris agreement goal [1.5-2°C]
+1.5°C
+0°C

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.

Fund 38%
Index 56%

■ 2°C   ■ Well below 2°C   ■ 1.5°C

Carbon footprint

Annual greenhouse gas emissions (GHG Protocol) from upstream scopes 1, 2 and 3 per thousand euros invested***.
Coverage rate : fund 90% / index 100%

	Fund	Index
kg. eq. CO_2 /year/k€	31	30

Fossil fuel exposure

Percentage of income derived from the three fossil energies.
Fund 0%
Index 0%

■ Carbon   ■ Oil   ■ Gas

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 95%

+27% Fund

-100%   0%   +100%

Index +20%
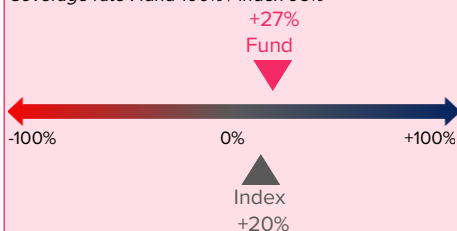
Human rights policy ❁❁

Percentage of portfolio companies that have drawn up a Human Rights policy.
Coverage rate : fund 83% / index 89%
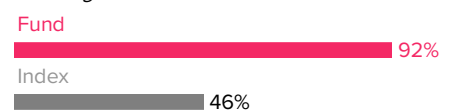
Fund 90%
Index 85%

Staff growth

Cumulated growth in company headcounts over the past three financial years (data unadjusted in the event of acquisitions, excluding transformational deals).
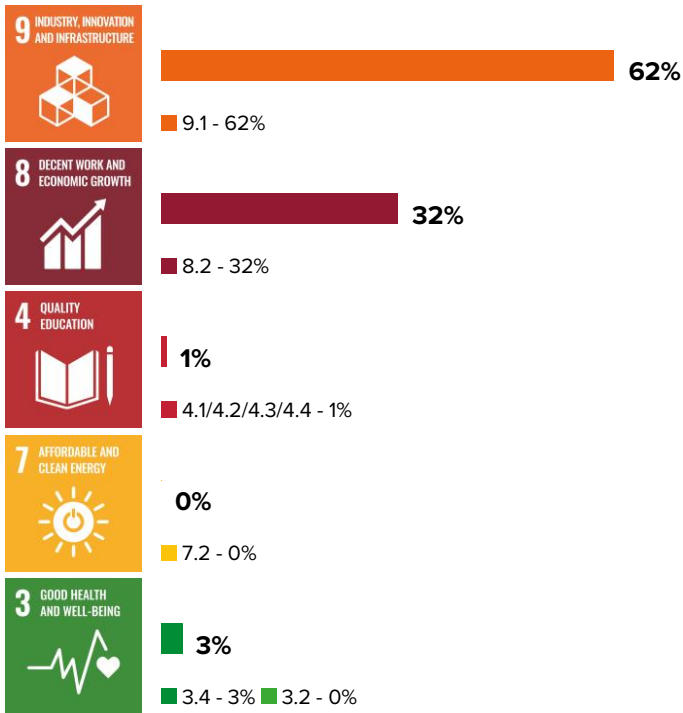*Coverage rate : fund 88% / index 97%*

Fund 92%
Index 46%

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.

sycomore sustainable tech

Sustainable development goals exposure

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

62%
■ 9.1 - 62%

8 DECENT WORK AND ECONOMIC GROWTH

32%
■ 8.2 - 32%

4 QUALITY EDUCATION

1%
■ 4.1/4.2/4.3/4.4 - 1%

7 AFFORDABLE AND CLEAN ENERGY

0%
■ 7.2 - 0%

3 GOOD HEALTH AND WELL-BEING

3%
■ 3.4 - 3% ■ 3.2 - 0%

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 environnemental 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 : 5%

ESG follow-up, news and dialogue

Dialogue and engagement

ASML
We initiated an engagement with ASML to disclose more on the governance process and oversight structure behind the human rights due diligence policies and forms of escalation on sensitive use cases or customers, and to publish risks on internal uses of AI (eg in HR / engineering / R&D / design) and enable rightsholders to raise concerns on AI uses.

Vertiv
We encouraged Vertiv to set up goals on gender diversity regarding the % of women in total workforce / top executive / at board level / among new hires and to disclose the employee engagement rate, % employee participation as well as follow-up measures.

ESG controversies

Microsoft
According to a Guardian analysis, from 2020 to 2022, emissions from in-house data centers of Google, Microsoft, Meta and Apple may be 7.62 times higher than official tally because of the different scope 2 : location based and market based.We contacted Microsoft to question the company on its climate transition plan.

Nvidia
Allegations that downstream purchasers of company-produced components used them for state surveillance of ethnic minorities in China.

Votes

0 / 0 voted general assembly over the month.
Details on our votes are available here the day following the company's AGM Here.

Part of **GENERALI INVESTMENTS**