



sycamore
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sycamore sustainable tech

JUNE 2024

Share AC

Isin code | LU2331773858

NAV | 136.2€

Assets | 315.5 M€

SFDR 9

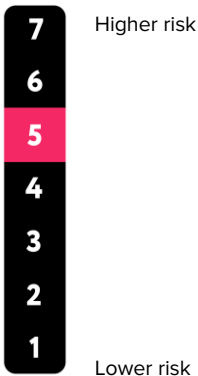
Sustainable Investments

% AUM: ≥ 80%

% Companies*: 100%

*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



David RAINVILLE
Fund Manager



Luca FASAN
Fund Manager



Marie VALLAEYS
SRI analyst



INITIATIVE TIBI

France

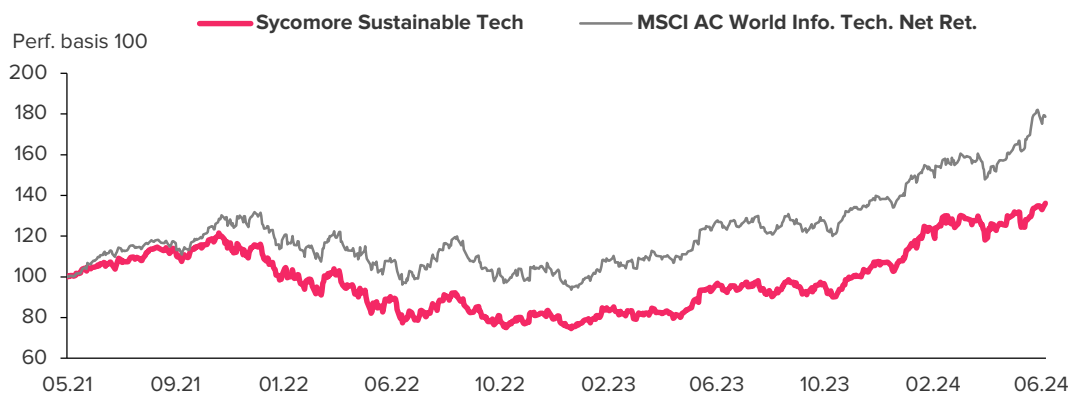
France

Investment strategy

A selection of global responsible technology players

Sycamore 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 28.06.2024



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

	Jun 2024	1 year	3 yrs	Inc. Annu.	2023	2022	2020		
Fund %	9.6	27.1	42.5	29.2	66.6	14.4	42.0	-34.2	15.2
Index %	10.5	28.6	40.2	62.7	112.4	21.9	46.5	-26.8	12.5

Statistics

	Corr.	Beta	Alpha	Vol.	Bench. Vol	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	Bench. DD
1 year	0.9	1.1	0.5%	19.4%	16.4%	9.0%	2.0	0.3	-9.3%	-8.3%
Inception	0.9	0.9	-4.7%	21.6%	20.8%	9.7%	0.6	-0.8	-38.6%	-29.0%

Fund commentary

June was a continuation of strong performance for the technology sector, driven by large cap outperforming the rest by a wide margin. Our semiconductor investments continued to outperform and were up double-digit percent in June, driven by Nvidia, Micron, and Broadcom, while our software pick continued to lag behind. Procure, MongoDB, Confluent continued to underperform in June but have started to show investor interest over the last ten days or so keeping us optimistic that we will see at least a partial reversal towards software vs. semis. Overall, we remain optimistic on end-market demand for tech as we believe enterprise tech budget are slowly, but surely unlocking. On the AI front, our conversations continue to indicate strong spend by hyperscalers, which should be particularly strong in Q4 of this year and Q1 of next year with the GB200 ramp. Hence, despite taking some profit in Nvidia earlier in the month, we remain very optimistic about the upside for the company and its ecosystem into the back half of the year.



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

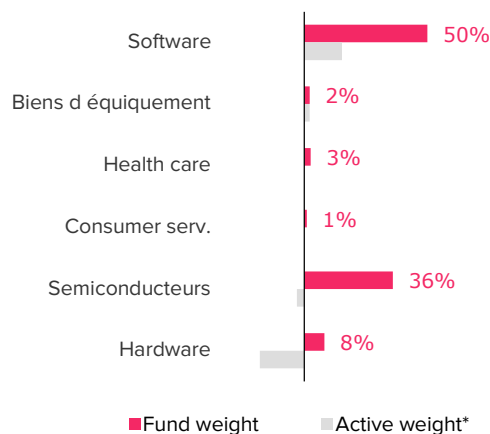
Transaction fees

None

Portfolio

Equity exposure	95%
Overlap with benchmark	33%
Number of holdings	36
Weight of top 20 stocks	75%
Median market cap	102.6 €bn

Sector exposure

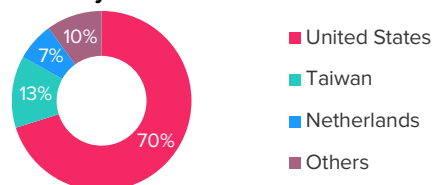


*Fund weight - weight MSCI AC World Info. Tech. Net Ret.

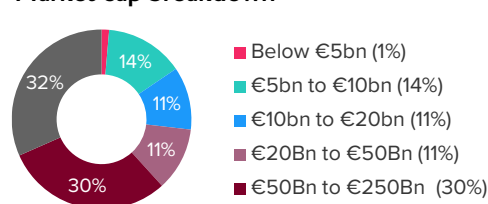
Valuation

	Fund	Index
2025 Sales Growth	20.0%	16.6%
2025 P/E ratio	39.7x	29.0x
2025 EPS growth	31.2%	23.7%
2025 Operating margin	31.5%	39.5%
2025 PEG ratio	1.6x	1.7x
2025 P/Sales ratio	8.7x	10.0x

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	2.8/5
P score	3.5/5	3.1/5
I score	3.8/5	3.9/5
C score	3.9/5	3.5/5
E score	3.2/5	3.3/5

Top 10

	Weight	SPICE rating	NEC	CS
Microsoft	9.5%	4.0/5	+5%	24%
Taiwan semi.	6.8%	3.7/5	+1%	19%
Broadcom ltd	4.8%	3.2/5	0%	31%
Intuit	4.7%	3.8/5	+2%	20%
Workday	4.7%	3.8/5	+3%	13%
Nvidia	4.7%	3.7/5	0%	17%
Mongodb inc	4.0%	3.5/5	+8%	31%
ASML	3.9%	4.3/5	+6%	27%
Servicenow	3.2%	4.0/5	0%	13%
Synopsys inc	3.1%	3.5/5	0%	33%

Performance contributors

	Avg. weight	Contrib
Positive		
Nvidia	7.4%	1.52%
Taiwan semi.	7.2%	1.23%
Broadcom ltd	5.1%	0.97%
Negative		
Vertiv	2.7%	-0.33%
Esker	1.7%	-0.14%
Advanced Micro	3.8%	-0.13%

Portfolio changes

Buy	Reinforcement	Sell	Reduction
Veeva systems	Intuit	Oracle	Nvidia
Infineon	Synopsys inc		Micron Tech.
	Accenture		CyberArk



Responsible Tech Dimensions

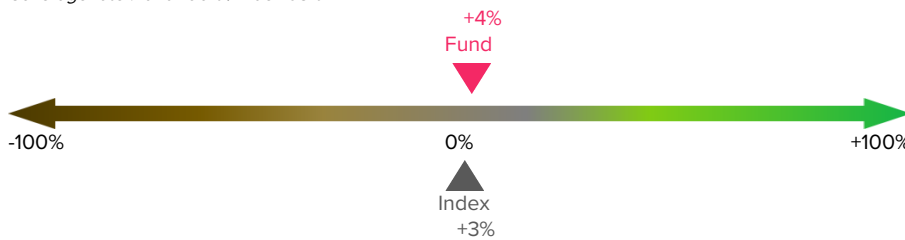
	Tech For Good CS ≥ 10% or NEC > 0%	Good in Tech Client risk score ≥ 3/5	Improvement enabler SD* Management score ≥ 3/5
Number of holdings	36	36	29
Weight	100%	100%	81%

*SD : Sustainable development

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) calculés par Sycomore AM sur la base de données des années 2018 à 2021.
Coverage rate : fund 100% / index 93%



European taxonomy

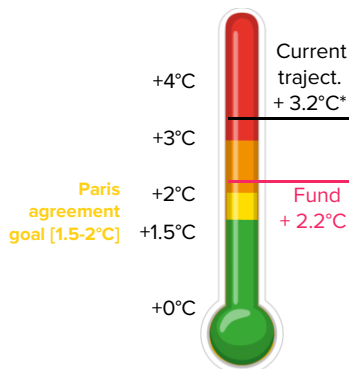
Percentage of revenues derived from eligible activities to the EU taxonomy

Coverage rate : fund 99% / index 100%



Temperature rising - SB2A

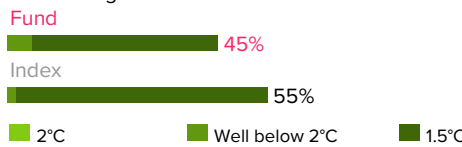
Induced average temperature increase by 2100 compared to pre-industrial times, according to the Science-Based 2°C Alignment methodology.
Coverage rate : fund 58%



*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 99% / index 99%



Fossil fuel exposure

Percentage of income derived from the three fossil energies.

Fund 0%

Index 0%

0%

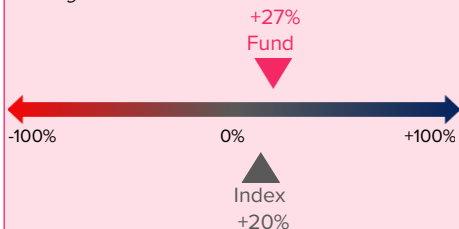
Carbon Oil Gas

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%



Human rights policy **

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

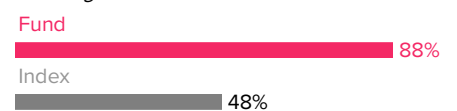
Coverage rate : fund 87% / index 88%



Staff growth

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

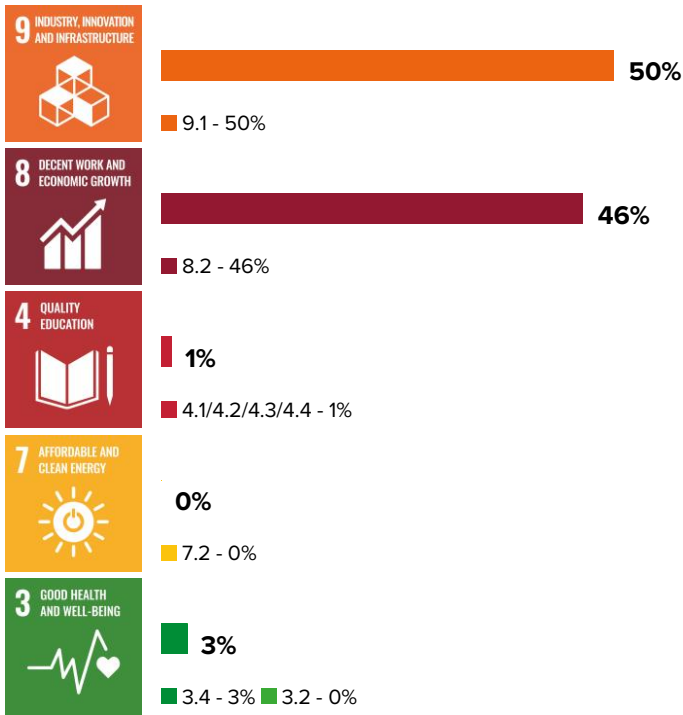
Coverage rate : fund 88% / index 97%



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.



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 : 4%

ESG follow-up, news and dialogue

Dialogue and engagement

Nvidia

We met with Nvidia concerning its ongoing Human Rights impact assessment and engaged with the company to report concrete examples and difficulties in human rights risk assessment. We will follow-up with Nvidia later in 2024.

GitLab

Prior to its AGM, to enhance shareholder rights, we initiated an engagement with Gitlab to remove the dual-class capital structure and the classified board structure. Concerning executive remuneration, we asked Gitlab to increase transparency on criteria, targets, weights, threshold, maximum and achievements, to condition CEO long-term awards on the achievement of performance criteria, and to include environmental and social KPIs in CEO variable remuneration.

ESG controversies

Microsoft

Microsoft continued to face criticism over its employment practices allegedly involving coercive state labor transfers in its supply chain that may pose human rights violations against ethnic minorities in the Xinjiang Uyghur Autonomous Region. We contacted Microsoft on the materiality of forced labour in the supply chain back in April 2021. Microsoft underlined its commitment to ethical sourcing and human rights. Its Supplier Code of Conduct bans forced labor, and audits have shown no evidence of such practices among their suppliers. Since September 2020, Microsoft has enhanced its efforts to detect forced labor risks, particularly from the Xinjiang region, by implementing self-reporting mechanisms and thorough risk screenings during supplier onboarding and continued compliance checks.

Votes

15 / 15 voted general assemblies over the month.

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

ESG commentary

Prior to Duolingo AGM we communicated areas of improvements concerning executive remuneration. We encouraged the company to disclose CEO STI and LTI targets as well as a sufficient compensation clawback policy and stock ownership guidelines for executives. We also asked Duolingo to include environmental and social KPIs in CEO variable (annual bonus and long-term incentive) remuneration and to adopt a formal performance bonus and LTIP with pre-set metrics and goals for other NEOs' equity awards.

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