

IN A COMPLEX MARKET, BE FLEX

PERFORMANCE¹ & VOLATILITY

Sycomore Partners P

2015: **+6.8%** vs. +10.3%
December 2015: **-0.6%** vs. -5.5%
5-years: **+31.1%** vs. +43.9%
Since inception²: **+43.1%** vs. +24.6%
1-year volatility: **+6.7%** vs. +21.4%

Sycomore Allocation Patrimoine R

2015: **+5.3%** vs. +1.9%
December 2015: **-0.9%** vs. +0.2%
3-years: **+23.4%** vs. +6.2%
Since 15.02.2010*: **+32.0%** vs. +14.1%
1-year volatility: **+4.5%**

*¹Sycomore Partners: the FCP does not have a benchmark; the Eurostoxx TR index (dividends reinvested) is shown for information purposes to illustrate the performance of equity markets. Index used for Sycomore Allocation Patrimoine: Eonia capitalised + 2%. ²31.03.2008. *Date on which changes were made to the strategy. Data as of 31.12.2015. Past performance is not a reliable guide to future returns.*

As in August 2015, when the authorities devalued the yuan, recent market developments in China can be used to highlight the virtues of an active and flexible investment strategy. After the severe correction in August 2015 – during which European markets were hard hit (Euro Stoxx TR: -9.5%)¹ - renewed concerns over China in the first weeks of 2016 serve to demonstrate the resilience of our funds in bearish markets; they also provide attractive entry points.

SYCOMORE PARTNERS: RESILIENCE TO MARKET DOWNSWINGS AND FIRST COMPELLING ENTRY POINTS

During the month of December 2015, the fund cushioned the blow dealt by the market: -0.6% versus -5.5% for the EURO STOXX TR² index.

- ▶ The uptick in market volatility (VSTOXX on 14.12.2015: 30.4%) was contained by the quality of our stock picking – with 63% of portfolio stocks outperforming the Euro Stoxx TR index – and by the fund's market exposure which was kept lower than the annual average (35.2% versus 39.2%).
- ▶ During the first quarter, the correction enabled us to demonstrate the strength of our investment strategy (-2.6% versus -7.3% for the EURO STOXX TR)³ and to raise our exposure to equities from 33% to 43%. Michelin and Sanofi-Aventis recorded losses of 6.7% and 6% respectively in December, and then 7.1% and 2.6% in the first weeks of January⁴, which brought their valuations to compelling levels. The Europcar stock shed 9.6% over the same period in 2016. We used this opportunity to introduce a position in Michelin and to strengthen Sanofi-Aventis and Europcar within the portfolio.
- ▶ However we believe that valuations remain relatively high and are cautious and selective when picking new opportunities for the fund.

SYCOMORE ALLOCATION PATRIMOINE: RESILIENCE TO MARKET DOWNSWINGS AND WEALTH PRESERVATION APPROACH

- ▶ In December, the fund's exposure to equities stayed close to 30% - slightly above the annual average of 27.8%. While equity markets were hit by a surge of volatility, the fund's diversified and flexible strategy showed resilience during the correction (-0.9%) and held on to its calendar year performance of +5.3% in 2015.
- ▶ As highlighted during the correction that sent markets tumbling at the beginning of the year, the fund remained true to its wealth preservation objective. We reduced the equity sleeve by trimming positions that had shown strong resilience in December: Groupe Open (+8.5%), Elior (+3.8%), Europcar (+3.7%), Alstom (-3.2%), Crédit Agricole (-4.7%) and Sanofi-Aventis (-4.7%).
- ▶ Nevertheless, the recent market downswing pulled some stocks back down to compelling valuations. From January 8th, we strengthened some of the positions that had been most impacted between December 31st 2015 and January 8th 2016: Europcar (-12.4%), Peugeot (-12.3%), Gemalto (-8.5%) and Zodiac (-6.7%).
- ▶ Amid rising volatility (VSTOXX on 08.01.2016: 30.4%), the fund's equity exposure remains relatively low at 24.8%⁵.
- ▶ We have also increased our hedging positions (Put-Spread Euro Stoxx 50).

While plunging commodity prices and the positive dollar effect are now fully factored into the markets, the European Central Bank now seems unable to satisfy investor expectations without outside help (cf. the disappointment following Mario Draghi's announcements in December 2015). 2016 is set to be a year of uncertainty: the directional markets of the past few years will give way to wider disparities, a favourable terrain for stock pickers. We continue to focus on our key expertise –fundamental and disciplined financial analysis – and are not letting ourselves be distracted by market noise.

Risk-reward profile of our funds



Past performance is not a reliable guide to future returns and is not consistent over time. The FCPs offer no performance or income guarantees and carry a risk of capital loss. Before investing, please read the Key Investor Information Document attentively. These documents are available for each FCP on our website www.sycomore-am.com.

¹ Source: Bloomberg. Data from 31.12.2015 to 15.01.2016

² Source: Sycomore AM. Data from 30.11.2015 to 31.12.2015

³ Source: Bloomberg. Data as of 14.01.2016

⁴ Source: Bloomberg. Data as of 07.01.2016

⁵ Source: Sycomore AM. Data as of 15.01.2016